THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

October 12, 1940

Japanese-Nazi Intrigue in U.S. and Orient has Amazing Record

Inflation Grips Far East

BY JOHN AHLERS

Britain Ousts Appeaser

Dictators Plot the Future

Japan Warns America Not to Meddle In Asia and Seeks Pact with U.S.S.R.

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

MR. LUNT'S POSITION

To the Editor:

On July 24 last, *The China Weekly Review* reprinted from a bulletin known as the *China Information Service*, published in Washington D. C., a report stating that Carroll Lunt of of Shanghai had been compelled to register with the Department of State as a Japanese agent. The report stated that the U. S. Federal Bureau of Investigation had conducted an inquiry into Mr. Lunt't activities, which included a speaking tour in the United States, and as a result Mr. Lunt had admitted that his expenses were largely defrayed by the Japanese. Although not referred to in the foregoing report, it also was learned that the United States Chamber of Commerce at Washington had also made inquiries regarding Mr. Lunt's speaking tour of American cities. As a result of the publication of the foregoing information in *The Review*, Mr. Lunt, who is now in Tokyo, sent the following letter to *The Shanghai Evening Post*, in which it appeared on Oct. 1:

My attention has been drawn to an article reprinted from **The China Weekly Review** in your issue of July 24. You evidently thought it needed further publicity, in spite of the fact that there was no verification of the lies and calumnies expressed, or you would not have published it.

I know, of course, that the situation in Shanghai is such that attack and counter-attack have become general, and that fairplay and common decency have given way to hitting below the belt and flinging mud whenever the opportunity offers. That I have not been spared is a matter of course. I have not expected anything better from those who have no rules, who seem never to have known a decent instinct. But at least I can try to parry the blows struck at me, and ask that you kindly afford me the courtesy of doing so in your columns.

The article starts off with the statement that **"The China Information Service** (it ought rightfully be termed The China Misinformation Service, C.L.) published in Washington, D.C., edited by Miss Helen Loomis, reported in its June 13 number that Carroll Lunt, Shanghai newspaperman, had been compelled to register as a Japanese propagandist."

That is a lie! I have not been compelled to register as a Japanese propagandist!

Because of the lectures I was giving to make my publication better known and so increase its distribution in the United States, some enemy must have written to the Department of State suggesting that my activities might be inquired into. They were, by the Department of State. I denied I was a Japanese propagandist any more than I was an American or British or Chinese or what-have-you propagandist. The correspondence was voluminous and lasted for several weeks, but in the end it was pointed out to me that as my magazine was published in a foreign land it must be regarded as a foreign publication, and I was, **ispo facto**, a foreign agent. The fact that I was an American, that I owned the China Digest, and that it was registered in the American Consulate-General at Shanghai as an American journal, did not count. I therefore registered as the agent of a paper published in a foreign land, not as a Japanese propagandist.

In my company as foreign agents there are agents of business firms, newspapers, manufacturers, candle-stick makers and the rest of them, and if there is any opprobrium in being with them it must be imagined. It very evidently is! Miss Loomis ought to take up the writing of detective stories.

The imaginative spinster goes on to say that "Carroll Lunt, who has long been a subservient flunky (nice language, that, revealing unexpected bitterness and hatred behind it, C.L.) of Japanese interests....has been describing himself as "another Carl Crow" and has secured speaking engagements with many groups and societies in this country. He has just registered with the State Departments after the FBI became interested in his activities and background."

Dear, oh dear! But that is not all. "Previously," the inventive lady says, "Lunt had served as a secret agent on the staff of Japanese military organs in Shanghai."

Now for the truth. If I have been friendly and courteous in my relations with the Japanese it is not because of any debased instinct. I had ordinary relations with them, just as all journalists had at the time. No more, no less.

Poor Car! In his success as an interpreter of the Chinese scene he would hardly like to have me described as a prototype. Of course I was flattered when the lady secretary of the Women's Advertising Assn. of New York had me down as such in the program advertising my speaking engagement. But I really had nothing to do with it. Imagination seems to know no bounds with "the more dangerous of the species."

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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As to the Federal Bureau of Investigation becoming interested in my activities and background, I have asked my wife to show you a friendly and personal letter from the director, Mr. John Edgar Hoover, which will prove to you that no such interest ever existed. I cannot authorize its publication because it was not written for publication, nor would I betray a trust. It stands, however, as a clear refutation of anything of a derogatory nature in my relationship with the FBI.

Finally I have never served as a secret agent of Japanese military organs in Shanghai.

And so, sir, I let the matter drop. I do not propose to enter into any further discussion about it, and will leave it to those interested to judge for themselves. If they wish to discredit me, they will—if they don't, they won't.

It is true that I am interested in preventing the loss of thousands of American lives and of billions of their dollars which a war with Japan would entail; not because of any undue love for the Japanese, but because my patriotism takes me that way. Others who feel that our interests in China and the defense of the Chinese people are worth such a great sacrifice are entitled to their beliefs. But I don't sling mud at them because I disagree with them, though perhaps their narrow and selfish viewpoint might call for my questioning.

CARROLL LUNT.

Tokyo, Sept. 9th, 1940.

RENT ASSOCIATION

To the Editor:

The cold season is just around the corner and the owners of apartment houses, now well organized and entrenched behind a legal barrier as well as being assisted by a fifth column in the person of Mr. Apathy (a gentleman who needs no introduction), have already started their Blitzkrieg by dumping bombs in our letter boxes to the effect that "Commencing November 1, the rent of your apartment will be increased by so much."

The writer recently approached the Shanghai Tenants' Association for their advice and was told that the remedy is entirely in the hands of the tenants themselves. The Association which was formed last year received very meager support from the public, some 210 persons only joining the movement. They were able to save for their members some $200,000. From a legal point of view, however, they have not a leg to stand on and British, American and French have either to pay the demanded increases or get out of their apartments.

If, however, the Association had 5,000 members who would stick together, they might be in a position to force the authorities to set up machinery to govern to some extent the degree to which rentals could be raised.

I am told that the Municipal Council have already been approached and that they state that they can do nothing. It is surely time that they did. It was touch and go at the last Municipal election, and if things are allowed to drift as they undoubtedly are, there are many ratepayers who will either not bother to register their vote at the next election, or will vote for the opposition. It is all very well for the vested interests, with their huge blocks of votes, to think the election is "in the bag." The Japanese are leaving no stone unturned to carry the Poll, and a few foreign votes given to the opposition might have disastrous effects.

With business decreasing, many firms are unable to increase the salaries of their staffs in a measure commensurate with the decline in exchange, and with the cost of food, clothing, transport and taxes still on the upgrade, it is going to be very difficult for the ordinary man in the street to make ends meet, without being hurdened by another increase in his rental.

If the Shanghai Tenants' Association is going to be a success, its membership must be very considerably increased, and increased membership will entail engaging a permanent staff, so I should advise all tenants to join with as little delay as possible. The joining fee is only $10 and the annual dues are $10 yearly—twenty dollars in all—surely a very small amount to pay for your protection.

May I, therefore, enjoin all tenants to join without delay and send their names to the Shanghai Tenants Association, P. O Box 4030. (Rue Massenet Post Office).

QUO VADIS

Shanghai, October 7, 1940

INSIGHT

To the Editor:

I surely have beeen glad to receive the regular issues of **The China Weekly Review** all the time while we have been on furlough. The articles have helped us out very much with information and needed insight into the affairs of the Far East during these months that we are away. We are due to sail on the President Coolidge on Nov. 15. Please change our address from Lancaster, Cal., to Shanghai. It will be good to have several copies of **The Review** to greet me upon arrival so that I can catch up on what has been happening while we are en route back to China. Thanks for looking after our changes of address.

G. R.

Lancaster, Cal.
Sept. 3, 1940.

THE CUSTOMS COLLEGE

To the Editor

Beloved or hated, respected or despised, I shall always remain, and certainly prefer to remain the same "bespectacled, pale-faced" but stubborn Fukienese rather than become a smart type of person like "Mr. Hsiu Shucheng" (a pseudonym maliciously formed out of my initials), who would even disseminate the most fantastic and malignant slander under the camouflage of patriotism just for the sake of revenging his personal grudges. Let me state once more that I have never been offered or appointed the chieftanship of the Business Department of the Customs College under my real name or otherwise. For further verification of my statement I would advise anyone who is interested in this matter to write to both the old and new school authorities.

I am fully aware that I have been beloved by many and hated by a few, but the hatred and libel of the irresponsible can never change or scare my old self a bit. "Mr. Hsiu" thinks that he is anything but a coward, but I doubt that a brave man would ever slander his adversary under a pseudonym.

If he likes to, "Mr. Hsiu" may continue indefinitely to create more slander and deliver more curses of the worse kind, but this very letter shall be my last. For a third denial of such a ridiculous, worthless piece of slander is absolutely superfluous and unwarranted. Shanghai people are wise in saying: "It never pays for a gentleman to pitch a fight with a rogue."

October 4, 1940

HO SU-CHOW

Editor's Note: Since the correspondence regarding the Customs College has degenerated into personalities, this letter will be the last to appear in these columns.

CUSTOMS NOTIFICATION

NO. 1647

DRAWBACK CHEQUES DATED BEFORE 1ST JANUARY 1938 TO BE INVALIDATED AFTER 31ST JANUARY 1941.

In accordance with instructions from the Inspector General of Customs, the public is hereby notified that all unclaimed cheques dated between 1st January and 31st December 1937, will be destroyed unless claimed before 1st February 1941. Similarly, Drawback cheques dated between 1st January and 31st December 1937, which have been issued but not cashed, will become invalid after 31st January 1941.

(L. H. Lawford)
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 7th October, 1940.

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, October 9, 1940

Demand selling rate on New York: U.S.$1.00—Sh.$17.20

Demand buying rate on New York: U.S.$1.00—Sh.$16.84

Demand selling rate on London: £1.0.0—Sh.$64.00

Demand buying rate on London: £1.0.0—Sh.$62.43

AMERICAN STOCK AND COMMODITY QUOTATIONS

October 8, 1940

STOCKS

Amer. Locomotive	15
Amer Waterworks	8⅜
Anaconda Copper	22¼
Bethlehem Steel	78½
Chrysler	77¾
Elec. Bond & Sh.	4¾
Gen. Motors	48⅛
Goodyear T. & R.	15¾
Gt. Nthrn. Rly., pfd.	27
Lockheed Aircraft	27⅝
Mont. Ward	40⅝
N. Y. Central	14⅛
Texas Corp	33⅞
U. S. Steel	57¾

COMMODITIES

New York Cotton, Oct.	9.62/62
New York Rubber, Dec.	19.86/86
New York Hides, Dec.	10.66/66
Chicago Wheat, Dec.	82⅛/82
Chicago Corn, Dec.	58¼A
New York Sugar, No. 4, Dec.	0.77½B/78A

B—Bid. A—Asked.

THE CHINA WEEKLY REVIEW
密勒氏評論報

中華郵政特准掛號認爲新聞紙類

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AMAZING EXTENT OF JAPANESE-NAZI INTRIGUE IN U.S. AND ORIENT

THE disclosure of the terms of the long-suspected Japan-Axis Pact, which leaves no doubt regarding the position of the Nipponese in the present world struggle, has made it possible for organizations in the United States—official and unofficial—to make public details regarding Japan-Nazi propaganda and intrigue in the United States and Far East which provided a background for the military agreement.

That the subject is of interest and concern to Americans, Chinese and other peoples in this part of the world goes without saying. The disclosures are of special interest to residents of Shanghai because many of the foreign agents or American agents of hostile or potentially hostile countries, now operating in the United States have either resided here or have connections here.

It is no secret that Shanghai has become in recent months one of the most important centers in the world for the dissemination of international propaganda.

The head of Japanese propaganda in the United States is K. K. Kawakami, a newspaperman who has frequently visited in Shanghai. Kawakami's nominal position is correspondent for two leading Japanese newspapers, one published in Osaka and the other in Tokyo. He went to the United States originally in 1901 and married an American wife. Aside from his writings in his papers and his publicity in the American press, designed to "interpret" Japan to Americans, most of Kawakami's work is anonymous.

He maintains close connection with Japanese naval circles in Japan and in the United States and once narrowly escaped deportation for his connection with an unsavory scandal which resulted in a former American naval officer being sent to federal prison for selling U. S. Naval secrets to Japan. Kawakami arranged the meeting of the American ex-naval officer and the Japanese secret agent who bought the documents in his (Kawakami's) Washington residence. However, Kawakami managed to clear himself and although somewhat tarnished by the disclosures, has managed to carry on as Japan's No. 1 propagandist in the United States.

According to an article by Stanley High on "Alien Poison in the United States," which appeared in *The Saturday Evening Post*, the Japanese propagandist Kawakami has much to do with the expenditure of the US$7,000,000 (equivalent to about $130,000,000 in Chinese currency at present rates of exchange) which the Japanese government and organizations are spending on propaganda and intrigue in the United States. Mr. High, writer of the article, stated that Kawakami probably will be the subject of the next investigation by the Dies Committee, an official body appointed by Congress to investigate un-American activities.

Another potent Japanese agent in the United States, who is not so well known, but is equally important on the West Coast, is Shunichi Takeuchi, nominal head of one of Japan's import-export concerns, which has offices in California cities. Takeuchi's activities are somewhat different in that most of the large population of Japanese in the United States, reside on the Pacific Coast. Takeuchi, who speaks English exceedingly well, has elaborately furnished offices in San Francisco. Prominent among the decorations are pictures of Abraham Lincoln, with whose writings and pronouncements, Mr. Takeuchi is quite familiar. He has even dug up a quotation from Lincoln which he uses to bolster his argument that the United States has no right to criticise Japanese policy in Asia.

Mr. High also referred to Japan's recent employment of Major-General John F. O'Ryan, U.S. Army, retired, who was paid US$15,000 down and a further US$5,000 monthly for compiling an economic report on Japan's set-up in Manchukuo and north China. O'Ryan was employed by the Japan Economic Federation, but everyone was aware of the fact that the money was put up by the Japanese Government and certain interests in Japan which were trying to pave the way for an American loan to enable Japan to exploit her military holdings on the Continent of Asia. On his recent trip to the Far East, Major-General O'Ryan was accompanied by two so-called economic experts, one of whom was connected with a Wall Street banking house, which apparently planned to participate in the loan to Japan in the event it went through.

Allegations regarding Japanese-Nazi intrigue on the Pacific Coast were little short of amazing. If true, even in partial degree, they constitute confirmation of most of the charges which have been made regarding Fifth Column activities in the United States. The Pacific Coast also provides the locale for a link-up between Japanese and Nazi propaganda and intrigue in the United States and South America. This subject is of interest in Shanghai because this city also serves as a clearing house for much of the Japanese propaganda which is distributed on the U. S. West Coast. Nazi activities on the U. S. Pacific Coast allegedly are centered in the office of Capt. Fritz Wiedemann, trusted friend of Adolf Hitler, who was sent to San Francisco as German Consul-General shortly after the signing of the original Tokyo-Berlin-Rome Anti-Comintern Pact. Puzzlement which prevailed regarding Hitler's object in appointing such a high official to the relatively unimportant post of Consul-General in San Francisco, recently was cleared up by revelations of the F. B. I. (Federal Bureau of Investigation). It was revealed that the closure of the Atlantic to German shipping and travel by the British blockade had caused the Germans to send their emissaries, official and otherwise, to the United States and Latin America by way of the Trans-Siberian Railway and Japan-China. This development caused Capt. Wiedemann's office in San Francisco to become a Nazi clearing house for diplomats and diplomatic mail, destined for Latin America as well as the United States. The F. B. I. disclosures concerning the activities of Dr. Gerhart Alois Westrick, who was sent to America by Hitler to "win-over" American big business to the Nazi cause, indicated that he had entered the United States by the San Francisco "back door" and had been in contact with Capt. Fritz Wiedemann. It also was disclosed that Dr. Herbert H. Hoehne, who arrived in San Francisco on the Asama Maru and claimed to be a representative of the German dye trust, was actually a Nazi agent sent to the United States for the purpose of transporting secret documents to German diplomatic and other emissaries in Latin America. Hoehne was finally released on

US$15,000 bail, which was supplied by Capt. Wiedemann.

The fact that there is a large Japanese population on the Pacific Coast. having commercial and community organizations with roots sunk deep in American soil, has caused the Government to pay special attention to this situation.

An officer of one of the various American intelligence services which functions on the Pacific Coast outlined how—in the event of a West Coast invasion, a definite phase of the Japanese program—the invader would stand in need of three things: food supplies, a ham-string for the American air service, and familiarity with and access to the West Coast ports. The officer pointed out to Stanley High various facts, some of which were designated as "coincidences." In the matter of food, the Japanese virtually control the fishing industry of the U. S. Pacific states from Alaska to, and including Mexico. The Japanese are the greatest producers of rice, potatoes and garden produce. Japanese interests own or control the finest fleets of motor trucks on the West Coast, which are said to be more modern than the equipment of the U. S. Army and National Guard units in that area. There is said to be a Japanese farm within five miles of every important American airport on the West Coast. Mr. High said that this may be a mere coincidence as the airports are located in good farming districts.

Continuing, Mr. High said that the naval situation was less susceptible of being put down to coincidence. In the past two years more than 200 illegally registered fishing boats—Japanese operated—had been seized by the United States Government. Japanese boats, for some time, had found their happy fishing grounds embarassingly close to the U. S. Naval bases at San Pedro and San Diego. A contingent of them had even followed the U. S. Fleet at maneuvers. Some of these boats, carrying catches of fish too small even to feed their own crews, had turned up for last year's maneuvers in the Carribean.

Not included in Mr. High's article were two recent developments in connection with the Japanese "fishing" industry in American waters: The first (*United Press* report) was the introduction in Congress on Oct. 1 of a bill designed to "smash" the Japanese fishing boat ring which allegedly has been spying on behalf of the Japanese Navy for many years off the California and Hawaiian coasts. The House of Representatives passed the bill and sent it to the Senate. It provides that all sea-going fishing boats, operating in American waters, must be closely supervised and regulated as to crewmen aboard ships which are American registered. In future all crews of fishing and other unsubsidized vessels must be 75 percent American citizens. The remaining members of the crews must be either citizens of one of the American insular possessions, aliens lawfully admitted to the United States for permanent residence prior to July 1, 1930, or aliens of good reputation who have been residents of the United States since 1925. The bill also requires all vessels of more than five tons net and engaged in fishing or coastwise trade, to be registered as United States vessels owned by American citizens. Aliens in the U. S. could continue to operate ships below five tons, but subject to cancellation by the President in time of emergency.

The other development—quite unexpected—took place in Mexico City, also on Oct. 1, when the Mexican Government took steps to break up the Japanese fishing monopoly which had been operating on the Mexican coast for many years.

Returning to the disclosures in Mr. High's article, he said that the diving apparatus on Japanese deep-sea abalone fishing boats was of such high quality as to suggest that the ships might become useful in time of war in obstructing oil pipe-lines which vessels of the U. S. Fleet use for fuelling a considerable distance at sea. Another item of interest was disclosed when the American authorities closed a Russian travel agency in Los Angeles which had been engaged in espionage activities. In the course of the trial of the employes of the "Intourist" office, one man testified that the Japanese in Lower California "were laying in large supplies of a German acid which, when mixed with salt water, could eat through the metal hulls of ships. In the fall of 1937 two Japanese were arrested while dumping some of the acid in San Pedro harbor. In Hawaii there was a similar occurrence when the Japanese-manned fishing vessel Flying Cloud—which transported much of this acid—was found to do very little fishing. When near the American coastline, the ship flew the American flag. When at sea it flew the Japanese flag."

Referring further to Soviet propaganda in the United States, Mr. High said that the signing of the Nazi-Soviet pact and the Soviet invasion of Finland had caused agents and organizations in the United States, which previously served the Communist cause "to become anaemic shadows of their former selves." Most of these organizations had their "stomachs full" of red propaganda and had either folded up or purged themselves of Soviet connections. One wonders if a similar development may not take place with regard to Americans and American organizations which have played Japan's game in the United States. One imagines that the Japanese action in allying Nippon with the Axis powers, will also have a similar effect to that produced among Americans when the Soviet signed up with Berlin. Many Americans who have espoused Japan's cause in the past also probably have their "stomachs full" since the announcement of the new agreement.

Disclosures regarding the activities of the Nazi "Bund" organizations in the United States indicated that these groups, fostered by the Hitler propaganda headquarters in Berlin, would probably go the way of the Communist Party and communist-inspired bodies in the country. To quote from Mr. High, "The Bund, like the Communist Party, has fallen on bad times . . ." However, the work goes on. Mr. High stated,

"Undoubtedly, the Nazi official in the United States who is nearest to the Hitler throne is Capt. Fritz Wiedemann, Consul-General in San Francisco. Wiedemann was Hitler's commanding officer during the first World War and prior to going to the United States he was entrusted with a succession of Der Fuehrer's most important diplomatic missions. Wiedemann originally went to the United States as the Reich representative at the Chicago World's Fair. Prior to that he had exercised a directive hand in the early making of the Bund. His appointment as Consul-General at San Francisco constituted no "come-down" as San Francisco is on the beaten-path of all Nazi diplomatic and other agents who travel to the United States or Latin America. A check up on all foreign consulates in San Francisco indicated that Wiedemann's establishment does more business than all the rest of them put together—which, according to the writer possibly explained that Wiedemann was always too busy to talk to reporters.

Another Nazi consular official in the United States, who aroused widespread attention, including that of the Dies Committee, was Baron Freiherr Edgar Spiegel von und zu Peckelsheim. The Baron, for short, got himself into serious difficulties by trying to bring pressure on the University of Tampa to cause the dismissal of the German professor—who happened to be a Viennese and an anti-Nazi. Like Nazi-inspired propaganda elsewhere, an attempt was made to disparage the teacher's ability

and to create the impression he was of dubious character. Finaliy, the University authorities were informed that the school would be presented with a fine library, providing the school employed an "adequate" German professor.

This bold attempt to interfere with an American educational institution finally brought a sound rebuke to the Nazi diplomatic official who was informed—and warned by the school's president—that the institution made no discrimination and placed no restrictions on Jews; that it had Jews on its Board of trustees. It was learned later that Von Spiegel had made similar "passes" at other educational institutions, but his complications with the State Department came when he declared publicly that the United States "would live to rue the day it gave aid to the British and witheld it from the Germans."

These disclosures led to congressional enactments designed to give the FBI more power over alien organizations and diplomatic functionaries. An expert from the State Depratment, for example, testified that certain embassies in Washington had "amazing turnovers" from the standpoint of staff members, leading to the impression that many of the attaches—several hundred in fact—were not genuine, but were "phony diplomats" turned loose to work the field as alien agents.

Nanking Seeks Jurisdiction Over Shanghai Russians

ACCORDING to a press announcement made by Mr. N. A. Ivanow, Chairman of the Shanghai Russian Emigrants' Committee, on behalf of Mayor Fu Siao-en on September 25, 1940, the jurisdiction over White Russians, at present vested in the 1st Special District Court (International Settlement) and 2nd Special District Court (French Concession), would be transferred to Nantao District Court in the near future "pending settlement of small details."

In plain words this means that 26,000 Russians residing under the administration of the two foreign-controlled areas in Shanghai were overnight to be deprived of the right of trial in special courts of these areas, and would be forcefully brought under the jurisdiction of a court in Japanese-occupied territory.

The nature of this development is quite clear. Foreign opposition has frustrated repeated Japanese attempts of the past few months, to appoint puppet officials to the Special District Courts. The Japanese therefore hit upon the scheme of exampting the Russians, who constitute the majority of litigants in these courts, from their jurisdiction. Another benefit the Japanese hoped to derive from this activity was to obtain a firmer hold on the Russians through the puppet justice of the Chinese municipality.

Apparently the hope of ruling the Shanghai Russians intoxicated Japanese reasoning. It was evident at once that, mandatory as it sounded, Mayor Fu Siao-en's order could not legally be put into effect because of the following objections:

1. The cooperation of foreign authorities is indispensable for instituting trials involving Russians in the Nantao Court. The Consular Body, the Shanghai Municipal Council and the French Municipal Council would have to give their formal assent to Mayor Fu's order. This they cannot do since the foreign nations interested do not recognize the Wang Ching-wei regime which controls Mayor Fu's municipality.

2. The 1st and 2nd Special District Courts were established by the Court Agreement entered into by the Foreign Powers and the Chinese Government on February 17, 1930. It stipulated jurisdiction over specified areas, the transfer of jurisdiction over a part of the population living within these areas would involve the violation of this agreement.

3. With regard to criminal offences, jurisdiction over which is specified in the agreement as the place where the crime was committed, compliance with the Mayor's order would be a breach of Law.

4. Crimes committed by Russians in the territory of the International Settlement or the French Concession would have to be investigated either by the respective police of these areas with extradition of the accused to Nantao District Court for trial, which is not possible by the terms of the agreement, or by the extra-Settlement police, which is utterly absurd.

5. The same difficulty would be encountered with regard to execution of judgments in civil cases, where the cooperation of foreign police is equally indispensable.

6. The status of foreign lawyers would be necessarily affected. As stipulated in the Court Agreement, foreign lawyers have the right to plead only in the 1st and 2nd Special District Courts in Shanghai, and the transfer of jurisdiction over Russians would necessitate their registration with the Nantao District Court. In all probability this would result in their expulsion from the 1st and 2nd Special District Courts as a retaliatory measure by the Chungking Government. The position of Russian lawyers would become precarious, as the majority of cases they represent are on behalf of Russians, and by force of a new order they would have to face the alternative of registering themselves with the Nantao Court in order to retain Russian clientele or limit their practice to pleading on behalf of other foreigners in the district courts of the foreign areas.

As explained above, the enforcement of the reform would meet with unsurmountable difficulties so long as foreign opinion holds any weight as an opposing factor to Japanese aggressive tendencies in Shanghai.

The passive compliance of Mr. Ivanow to the Mayor's order in giving publicity to an obviously impossible and illogical reform should be regarded in the light of newly developed appeasement tendencies in the Russian attitude to growing Japanese pressure discernible since the change of leadership in the Russian community. Apparently to "save face," Mr. Ivanow, acting on instructions of Mayor Fu has proposed as an alternative to the Nantao scheme the formation of an arbitration court for trial of cases involving Russians, to avoid recourse to the Chinese Courts. The issue remains in abeyance at present pending the receipt of reply from the Consular Body and the Municipal Councils, but its fate is predetermined by reasons of logic and common sense.

A.

NANKING COMMENDS MAYOR FU FOR STAND ON DISTRICT COURTS

The Executive Yuan of the Nanking regime commended Mayor Fu Siao-en on Oct. 7 for his action in ordering all emigre Russians in the foreign areas of Shanghai to bring their future court cases before the "Shanghai District Court" of the puppet Municipality rather than before the foreign concession district courts as heretofore. To date the Mayor's extra-legal order, issued through the office of Mr. Nicolai Ivanow, Chairman of the Emigre's Committee, has not been put into effect.

Mr. Ivanow, a willing tool in the hands of the Chinese puppets, issued another order on Oct. 6 prohibiting White Russians of Shanghai from having any business with the Soviet *Russian Daily News* under pain of grave displeasure.

Vicious Inflation Grips Japan and China

BY JOHN AHLERS

THIS fall of 1940 sees note circulation figures in both Japan and China soaring sky-high and breaking all previous records. And the trend continues upward. In both countries the second half of the calendar year, when the crops have to be financed, is that of the heaviest demand for cash money. Before the current year runs out, we shall see yet higher note circulation figures than at the present time, and present note issues will appear comparatively low.

Chinese national currency during the first half of this year increased its circulation by a whole $1,000,000,000 to $6,000,000,000, according to official Chungking figures. The Chinese Government banks' note issue continued to increase heavily in the past three months. In Shanghai financial circles the present circulation of Chinese national money is estimated at considerably above $7,000,000,000.

In Japan, the circulation of Bank of Japan notes has increased to the neighborhood of Yen 3,300,000,000. Since both Chinese and Japanese note issues stood three years ago at about the same level, this figure indicates that while China increased her note circulation more than four times, Dai Nippon only doubled hers. It would be misleading, however, to conclude from this that inflation in Japan has not gone as far as in China. Besides the increase of the note issue in Japan, there is a much more far-reaching watering of bank credit which accounts for considerably more than the difference between the two countries' note issue increases. In China, on the other hand, with her little developed banking and credit apparatus, there was little opportunity to inflate bank credit.

In the Japanese-occupied areas of China, the circulation of puppet notes soars by leaps and bounds. The Peiping Federal Reserve Bank at the beginning of this month admitted an all-time high circulation of its notes in North China to the amount of F.R.B. $599,000,000. The Central Bank of Manchu on September 28 beat all previous records with a note circulation in Manchuria to the extent of M$703,000,000. The Bank of Mongolia maintains ominous silence in respect to its note issue in the puppet "country" of Meng-Chiang. There is no accounting for the extent of the Japanese military note circulation in Central China either; many of the military notes do not even bear numbers. The total circulation of puppet currencies in the occupied territories now amounts to between $1,700,000,000 and $1,800,000,000. And at Nanking the Wang Ching-wei regime is eagerly awaiting signature of its treaty with Japan as a signal for starting a new note issue of its own.

Each of the governments responsible for these increases in Far Eastern note issues violently maintains that, in its particular case, the issue increase is justified by circumstances, and that there is no inflation. The press defending each government frequently goes a step further and, while admitting that there might be some signs of inflation, protests that there is no "vicious" inflation yet. Such differentiation between "vicious" and "virtuous" inflation, the advantages of the latter being claimed for one's own cause, is just bunk. There is no such difference in reality. Inflation simply is inflation, and is always vicious. It is, indeed, one of the most atrocious vices governments may indulge in, or be compelled to indulge in. It disastrously effects the livelihood of the people. It is a disease incurable except by amputation.

What Next?

Japanese cartoonist, Seizo Uchida, in the Kokumin, depicts Japanese juijitsu wrestler (Left) subduing giant China, but the Japanese warlord, on the right, goes him one better by subduing the entire Far East.

What is inflation? It is an extension in the supply of paper currency in comparison with the volume of goods available. It may be brought about in three ways. The note circulation may be increased while the volume of goods available against the notes fails to grow. Or the volume of goods available may decrease while the amount of notes in circulation refuses to decline. Or, finally, the note circulation may increase while the supply of goods decreases. The last one is the worst and the most vicious of the three phenomena, and this is what has happened in both Japan and China. It is what in both countries brought about genuine vicious inflation on a tremendous scale.

The governments concerned, of course, pretend to pursue an anti-inflationary policy, and blame inflation upon everyone but themselves. This is nothing but eye-wash. It is really the governments who promote inflation, and it is the government banks which issue the new notes. The Chinese and Japanese governments must finance at least part of their war expenditure through circulation of additional paper currency. The puppet governments in this way finance part of their current administrative expenses. The governments do not just print and distribute notes. They continue to resort to the means of placing loans and drawing upon credits with the government banks, and it is upon such security that the latter provide the required new currency. However, this is largely fiction, and does not alter the fundamental facts.

How and where is all this to end? As things are, there seems to be no way of stopping the rise of inflation in both Japan and China as long as the two countries continue to fight each other. With the cost of the fight far surpassing the limits of their ordinary revenue, they have largely to fight on credit. Even a termination of the war would not halt inflation if both countries embarked upon large-scale new armaments against either each other or third countries. On the other hand, inflation nowhere can go on interminably, and a day of reckoning will have to come.

On that day of reckoning, both Japan and China will have to balance their accounts chiefly with, and upon the basis of, the financial means they will have left. All hopes that the vanquished country will pay, or will be able to pay, the victor, had better be abandoned right now because they are vain and baseless. The Chinese have been victimized by this war. However just their cause, however successful their defense finanlly may be, they have no hopes of making the Japanese pay. The latter will have to awaken from their mediaeval dreams of a conquest that pays its own way, and will have to understand that it is they themselves who have to pay the bulk of the cost of their China adventure, even if it should turn out successful. In the end, a small minority in the victorious country eventually may gain a little, while the big majority of both peoples certainly will have to pay tremendous bills.

Inflation, to a certain extent, is but another means of taxation, partly immediate and partly deferred. It is immediate taxation insofar as it decreases the buying power of money and reduces civilian consumption in order to play larger supplies into the hands of governments. It is deferred taxation insofar as it tends to create large new amounts of apparent wealth at the bottom of which is but increased paper money circulation and increased state indebtedness. Far Eastern inflation has developed along the orthodox lines, experienced in so many European countries, without Japanese and Chinese inflationists discovering any remarkable new devices or ways out of the dilemma. They will also have to liquidate along the orthodox lines.

It is little realized by the general public that the problem of halting or liquidating inflation is closely connected with the consolidation of government indebtedness. Reasonable business men ought to abandon all fantastic hopes that Far Eastern governments, in the long run, may be able to live up to their financial obligations with their currencies are appreciating at the same time. There is not one chance in ten for a development of this sort. On the contrary, both Japan and China will have to face the ultimate alternative of either contenting themselves with largely devaluated currencies—the Chinese by officially adopting Shanghai open market rates, and the Japanese by discontinuing exchange control and allowing the yen to drop to its natural level far below present rates—or of deflating the note circulation and correspondingly defaulting part or all of their domestic indebtedness. If pre-war exchange rates, price levels and revenues of Japan and China were restored, neither of the two could service their indebtedness without previously writing it down to the extent of the currency appreciation.

Japan and China ultimately will have to choose between the courses taken, as regards to the same problem, by Germany and France in the years after the Great War. France kept her currency devaluated and serviced her domestic debts in depreciated paper money. Germany intentionally wrecked her currency and then established a new one, pretending her internal debt to have been in terms of the old wrecked one and, therefore, to have been wiped out. The Anglo-Saxon examples can be followed by neither China nor Japan, because exhaustion has already gone too far.

Labor Strengthens British Cabinet as Appeasement Policy is Dropped and Chamberlain Ousted

GREAT Britain gave world notice on Oct. 3 that the policy of negative defense which had been substituted for "appeasement" since the beginning of World War II would be dropped for relentless prosecution of the conflict in every portion of the globe. Mr. Neville Chamberlain, Lord President of the Council, member of the Inner War Cabinet, leader of the Conservative Party and Prime Minister until Mr. Winston Churchill took his place last spring, resigned. There were other shifts in the personnel of the Cabinet: recognition of talent, the dropping of inefficient operatives and much press talk of ousting Foreign Secretary Viscount Halifax, last of the appeasers.

The immediate background of the reshuffle appears to have been two-fold: The Axis-Japan military pact signed the week before, extended the British battle front half way round the world to east Asia and there was no denying the deep-bowelled grumbling which issued from Japan's volcanic isles at the first mention of British permission to reopen the Burma road for traffic with China. The only logical continuation of British appeasement in the Far East would be to abandon the Netherlands East Indies to Japanese invasion. Thence it is but a step to India.

The second immediate cause of the reshuffle was the series of decisive defeats, diplomatic and military which Britain has suffered from Munich on. In the diplomatic sphere: Finland, Rumania and perhaps now Spain. In the field: Norway, France and the Low Countries and latterly Dakar.

Sir John Anderson, Home Secretary and Minister of Home Defense, whose principle contribution to the war effort has been insufficient construction of inadequate air raid shelters, was a government member quickly put out of the way by—promotion, a British custom. Sir John was appointed Lord President of the Council to succeed Mr. Chamberlain and his former place was filled by Mr. Herbert Morrison, Minister of Supply and Labor. Other appointments were Lord Caldecotte, Dominions Secretary to replace Lord Hewart as Lord Chief Justice. Lord Hewart resigned. Lord Cranborne to fill the Dominions vacancy; Sir John Reith, Minister

of Transport, elevated to the peerage and appointed Minister of Works; Lesser appointments were: Lieut.-Col. T. C. Moore Brabazon to the Ministry of Transport; Mr. Andrew Duncan, Ministery of supply; Capt. Oliver Lyttleton, President of the Board of Trade.

Never a compromiser, the Prime Minister drove the last nail into the coffin of appeasement when he included one of Labor's most promising young men in his Inner War Cabinet, Mr. Ernest Bevin, Minister of Labor and National Service. Thus he hoped to cement the interests of Labor and the Middle class into an indissoluble death pact. At the same time he provided for the continued guidance of the war by the Conservative Party when he enlarged the six-man Inner Cabinet to include Sir Kingsley Wood, Chancellor of the Exchequer.

On the day following Mr. Chamberlain's resignation from the Cabinet he gave up his leadership of the Conservative Party, one reason for his retention in the

The Protecting Shield

Chicago Tribune.

Government after the debacle of Narvik last spring. Thus Mr. Churchill's ascendency was assured. It is probable that he will be chosen to lead the Tories.

The question of Foreign Secretary Lord Halifax is less clear. As a close Chamberlain collaborator in government during the years of appeasement before the war and during the present abortive Far Eastern appeasement policy, he has lost steadily in the favor of the public. The announcement on Oct. 4 that he had been appointed speaker of the House of Lords was taken by many London papers as the first step in his removal from the Cabinet. The opinion of the *Daily Herald* on the subject was quickly summed up: "His obeisance to Japan has brought ruinous results; the net consequences of his courtesies to Spain are an intensified demonstration of General Franco's respect for the Axis; Rumania has gone from us while Russia has read nothing but hostility into Lord Halifax's chilly wooing."

The chilliness of Halifax's foreign courtship, at least where Russia is concerned, was attested to in a bitter attack made by British author H. G. Wells who arrived in New York on Oct. 4. Mr. Wells said: "The man I want to see go is Halifax. He is the quintessence of all that patriotic English-speaking men should be afraid. . . . I should think that if Halifax would make peace

U. S. NAVAL RESERVES MOBILIZED; CANADA DEFENSE PLAN COMPLETED

The United States Government on Oct. 5 called 19,000 naval reservists to active duty. It was the first time since 1919 that the organized reserves have been mobilized. The reserves will be trained to service the scores of new ships now being added to the U. S. fleet. They will swell the Navy's total strength to 235,492 men, leaving only 39,192 officers and men of the Navy and Marine Corps Voluntary Reserves to be called at some future date.

Prior to the general mobilization order, 11,289 Fleet reserves already were in active service having been called up under a selective system during recent months.

On Oct. 3, the Navy Department announced the formation of a new U. S. Atlantic fleet to be called the Fleet Patrol Force under the command of Rear-Admiral Hayne Ellis. It will comprise the present Atlantic squadron, the warships on the European neutrality patrol and new vessels under construction as well as certain units being reconditioned and a number of commercial vessels. The fleet will total 125 ships.

On the previous day the U. S.-Canada Defense Board announced it had completed joint defense plans for the two countries, chiefly in relation to the eastern seaboard. The plans will be submitted to the respective governments. It was reported at the same time that the United States is seeking joint naval bases in South America for use in defense of the Western Hemisphere.

The mobilization order will affect about 50 men in Shanghai. Many of them have lived in the city for years and have families. A number are proprietors or bar tenders of cafes in the "Blood Alley" district.

it would be a very unsound one because of his religious bias against Russia. Russia is absolutely necessary for any settlement of the war."

On Oct. 2, the day before the general Cabinet reshuffle, the dynamic Admiral Sir Edward Evans was appointed "shelter dictator" of London. The move which effectively replaced Sir John Anderson was characterized by the *United Press* as "expected to take the sting from much of the criticism of the Government's shelter policy." Indeed there had been sufficient: tales of sickness resulting from the unsanitary conditions of the shelters where millions of people have had to spend hours on end, tales of people walking as much as five miles to find a shelter and of the general inadequacy of the entire Relief organization. Lack of facilities for London's homeless poor was vividly etched in a German *Transocean* tale from the Swedish press which recounted the arraignment of a middle-aged woman before a London court for the murder of her blind husband. The prisoner pleaded guilty but she said that bombed out of their home she and her husband had been unable to find refuge or aid and the woman wanted to put her husband out of misery. Another German report, this time from Madrid declared that "unruly elements" have organized through the raid shelters and not only attack the Government but agitate against the favor shown to foreigners and Jews in crowding them into the shelters to the exclusion of Britons.

Besides providing London with adequate bomb shelter for the winter months Admiral Evans will have to adopt his organization to the emergency situation and rid the city of the red tape which has to date caused tremendous lack of efficiency in relief work, according to the *New Yorker*, reported by *Transocean*. This red tape entails the necessity to ask for relief from hundreds of authorities including six Ministers, five County Councils, 28 District offices and 101 municipal offices, according to the *Daily Herald* reported by the German agency.

Japan Warns U.S.; Seeks Pact With U.S.S.R.

AMERICAN press services carried the alleged statements of two leading Japanese statesmen last week in both of which a warning was issued against further attempts by the United States to compete for hegemony or even equality with Japan in East Asia.

The more important of the two dicta was made by Prime Minister Prince Fumimaro Konoye. He told Japanese newsmen at Kyoto on Oct. 4 that Germany, Italy and Japan are prepared to "fight to the finish" should the United States challenge them. He said, according to *United Press*: "Should the United States deliberately refuse to understand the intentions of Germany, Italy and Japan, and should she consider the Triple Alliance a hostile act toward the United States, and should she challenge the signatories of the Tri-Power pact, then we are ready to accept such a challenge and fight to the finish." The declaration was quiet, matter-of-fact.

On the following day the *International News Service* published an alleged interview with Foreign Minister Yosuke Matsuoka in which he was reported as declaring: "I fling this challenge at America. If she in her contentment is going to stick blindly and stubbornly to the policy of *status quo* in the Pacific then we shall fight America." The Matsuoka interview was subsequently proved false yet it aroused more comment in the United States than the quiet Konoye statement. The fact that it was universally accepted in America without further corroboration indicated the credence Americans place in reports of Japanese enmity as well as the dangerous climax towards which Japanese-American relations are heading.

Mr. Yakichiro Suma, Foreign Office spokesman, emphasized the undeniable trend of Japanese attitude away from the United States when he declared on Oct. 7: "There is no room for readjustment of relations between Japan and the United States in the current situation, especially since the United States insists upon the solution of all pending problems first." An indication that the same thought prevails in lesser Japanese political circles was a statement made by Mr. Seigo Nakano, leader of the former Tohokai Party, that Japan must retaliate with military measures if America attempts to interfere in the Pacific.

Before Japan can hope to fight a war with the United States, however, the people must be convinced. So far the Japanese Government has been proceeding with great caution in the matter of popularizing the Tri-Power pact itself. Prince Konoye opened up a nation-wide publicity campaign to this end when he addressed a conference of prefectural governors on Oct. 7. He said: "You are asked particularly to guide the people to the realization that the objectives of the triple alliance are prevention of further expansion of the war and to expedite restoration of world peace." Reuter reported that the official reason for not holding popular demonstrations approving the triple alliance, was the desire to avoid a possible affront to America. The agency added editorially, "Actually the public is not enthusiastic; this has been the subject of editorial regret."

Oct. 7 was a red-letter day for Japan's prefectural governors for besides the Prime Minister they were addressed by the Foreign Minister. Through them Mr. Matsuoka told the Japanese people that Japan would be forced to curb the efforts of any nation which attempted to disturb the peace of the Far East by extending Sino-Japanese hostilities through aid to Chungking. Reiterating the idea that the triple alliance did not signify Japan's intention to plunge "immediately" into the European war, Mr. Matsuoka was "prepared to share nature's bounties" in East Asia with any nation willing to recognize Japan's pre-eminent role.

Japan "Commands" the Pacific

London Star

The cartoon is based on the incident in the life of Canute, king of Denmark and England, when he commanded the rising tide of the Thames at Westminster "to go back."

France which has recognized the self-appointed Nipponese role has already discovered that sharing of nature's bounties means in part sharing the Government of Indo-China with Japan. The three remaining Powers directly aiding China are the United States, Great Britain and Russia. With the first in uncompromising opposition to Japan's aspirations and the second about to end her policy of appeasing Japan with the reopening of the Burma road to munitions for China, Russia remained last week the only nation which might be wooed by Japanese promises of bounty-sharing. In a war with the United States, Japan could not in any circumstances permit a hostile or even a non-belligerent Russia to stand behind her.

Therefore no sooner had the ink dried on the Tri-Power pact than the Japanese press began clamoring on Oct. 2 for rapprochement with the Soviets. On the same day Mr. Suma addressing foreign pressmen in Tokyo on behalf of the Foreign Office said that Japan would be open to a non-aggression pact with Russia provided the initiative came from Russia. He admitted too that the newly appointed Japanese Ambassador to Moscow, Gen. Yoshitsugu Tatekawa will have pleni-

AMERICANS IN ORIENT ADVISED TO RETURN HOME AS SOON AS POSSIBLE

The U. S. State Department this week instructed American consulates in the Far East to advise all Americans in China, the Japanese Empire, Manchukuo, Hongkong and French Indo-China to return to the United States as soon as possible, *United Press* reported from Washington on Oct. 8. The Philippines and the Netherlands East Indies are excepted from the list of countries involved.

Formal circulars of advice would probably be issued during the week, the report stated. Advice would be in the form of suggestion and would ask that women and children be sent first, it was believed.

The evacuation order will affect some 4,000 Shanghai Americans. The order was interpreted in Shanghai as a prelude to American action against Japan's expansion program, according to *The China Press*. It came just three days after the Standard-Vacuum Oil Co. of New York and the Texas Co. had advised their employees to send home family dependents.

A report from Tokyo on the day the order was issued, declared voluntary evacuation of Americans has been going on in Japan since the the ban on certain commodities necessary to Americans. The consular order was expected merely to hasten the process of evacuation.

In Manila the U. S. High Commissioner Francis B. Sayre commented that the evacuation order was "not to be interpreted as an indication that serious trouble is expected. It is a means of precaution to avoid unnecssary hardships for civilians if the unexpected should happen."

Chungking saw in the order the prelude to a Japanese-American war.

A *United Press* bulletin from Washington on Oct. 9 hinted that the United States Fourth Marines, totalling 1,600 men and officers may be ordered to evacuate Shanghai. A State Department announcement on the subject was expected to be issued in the near future.

potentiary powers and will therefore be able to conduct talks on any subject.

In London where it was at first hoped that the Axis-Japan treaty would throw Russia into Britain's arms, the lack of any immediate efforts on the part of the U.S.S.R. to settle such minor matters as financial claims resulting from Russia's absorption of the Baltic states, threw a cold blanket on British optimism. A cautious official statement was reported from Moscow by *Reuters* on Oct. 4 in which the Government announced that the Soviet policy of good relations with all neighbors would not exclude the possibility of a rapprochement with Japan provided there was goodwill on both sides. The Japanese bribe to split China into spheres of influence was flatly turned down.

It remained for Mr. Matsuoka to put the official seal of approval on Japan's willingness to bind herself closer to Russia. In his address of Oct. 7 he admitted the rocky road of past Russio-Japanese relations and declared, "But it is no time now when we are confronted so to speak, with a world revolution, to dicker in one corner of East Asia. I believe it is time for cooperation towards greater objectives by undoing misunderstanding if such exists and solving any existing pending issues."

The net result to date is an expressed willingness on the parts of both Russia and Japan to conclude a temporary non-aggression pact which will keep Russia neutral during a Japanese-American war but which will end if and when the three Axis powers decide.

Watching Her Enemies Fight

Cartoon in radical *New Masses* (New York) shows Soviet Russia, protected by the Non-Aggression Pact (with Germany), observing the Germans and other Europeans at war.

Chungking Inaugurates China's Auxiliary Capital

A shouting parade of 30,000 soldiers, students, merchants, labourers and government officials through the streets of Chungking by the light of torches on Oct. 1, inaugurated the city as the permanent auxiliary capital of China.

The parade broke up late in the evening with "fight to the end" demonstrations held in 40 different parts of the city. At the Confucian Temple, a special ceremony was held in honor of President Lin Sen and Generalissimo Chiang Kai-shek.

Doomed Battalion Soldier Shot While Fleeing Camp

Trouble centered in the internment camp of the "Doomed Battalion" in the International Settlement on Oct. 7 when a Russian camp guard of the Shanghai Volunteer Corps fired on an escaping internee, wounding him and two bystanders outside the camp. The soldier was rushed to hospital where he was later reported recuperating satisfactorily.

An investigation of the matter revealed that the guard had spotted the escaping man only after the latter had managed to scale the wall round the camp as well as two more barbed wire barricades. Shouts proving of no avail the guard fired. Last month the camp was the center of an incipient rebellion when internees refused to permit repair work on part of the barbed wire barricades, pelted the guards with stones and were quelled with tear gas and gunfire in which one internee lost his life. The men have been interned since 1937 when they entered the Settlement voluntarily after having put up a valient but futile fight against overwhelming numbers of Japanese.

Mayer Sought 3 Days by Police, Pays Bad Debt

For three days this week the U.S. Deputy Marshall for China searched through Shanghai with the aid of the foreign police forces, for Rudolph Mayer, brother of the Hollywood cinema magnate. The Marshall had an arrest warrant in which Mr. Mayer was charged with having obtained $10,000 under false pretenses from Messrs. Sennet Freres. Evidently the wanted man learned as early as 3 a.m. on Oct. 5 that the police were on his trail for he proved more elusive than a needle in a haystack and at one time was reported in Ningpo. On Oct. 7 he was still reported missing so far as the law was concerned but it was reliably reported on that day that he had just made an "out of court" settlement with Sennet Freres.

Axis Leaders Meet to Plan Future Course of War; German Troops Occupy Rumania

THE center of the European War moved this week from the Atlantic coast opposite Britain to the southeastern part of the continent and the Mediterranean following the Brenner Pass meeting between Hitler and Mussolini on Oct. 4. If, as was believed, the two Axis dictators discussed their winter military campaign against Britain, the results of the talks appear to have been put into action with remarkable speed.

On August 6 a furious Italian attack on the key British positions of Marsa Matruh in Egypt and Perim Island at the southern and of the Red Sea, evidently heralded a pincer movement with the Suez Canal as its ultimate objective. Next day two divisions of German troops, a total of 15,000 men were reported to have arrived in Rumania to guard the oil fields there and to protect Rumania's integrity in accordance with the terms of the Vienna pact. As early as Oct. 3 Italian troops had been reported massing on the Albanian-Greek frontier. Greece as well as Turkey, is a passive ally of Great Britain.

At the same time, there is no indication that the German offensive against Britain has been abandoned for the present year. Despite bad weather now prevailing over the English Channel, the Nazis carried out their most intensive bombardment of London to date in the early hours of Oct. 8.

Slowly the totalitarian Powers are welding Europe into a single-minded ideological entity of monolithic proportions. Their fondest hopes would be realized if the continent could be transformed along similar political and military lines, and if the movement of troops to the southeast is a precursor to action against Turkey and Greece, then the logical conclusion is that the attempt will be made.

There is no doubt but what Germany unhindered can successfully invade Turkey from Rumanian and Bulgarian bases and that Greece would soon fall before an unimpeded Italian assault, but there is no assurance that such attacks would be allowed to go unquestioned by Russia. At the time of this writing there is no indication of the Soviet attitude *vis-a-vis* the sudden German *coup* in Rumania. Evidently it came without warning for the official Berlin radio announced on Oct. 8 that Germany, "assumes that Russia recognizes the fact that Rumania is within the German orbit." Moscow has never given any sign of such recognition. On the other hand Russia has always felt a spiritual affinity and paternalism for the slavic Balkan peninsula, a feeling strengthened by the urge for an unhampered outlet in the Mediterranean Sea.

It is also a matter of question whether Russia was informed beforehand of an impending Axis-Japan military pact. Berlin said she was. Moscow has made no comment but has advanced tentative gestures for the signing of a non-aggression pact with Japan. The German move in Rumania may only serve to emphasize to Russia her isolation.

Spain's role in a possible all-out Axis offensive against all British points encircling the European continent, is still obscure. Mr. Serrano Suner, Spanish Minister of Interior, visited Rome Oct. 1, on his way home from Berlin but he left before the Brenner meeting had been held. It would seem that Spain could serve Axis purposes best with permission to base German and

Under the Big Top

Chicago Daily News

Italian submarines in Spanish ports. The rumor that France would enter the war against Britain was emphatically denied by Vichy during the week. France continued to maintain a feeble grip on her African empire with the dispatch to Dakar of Gen. Maxime Weygand in the role of Commander-in-Chief of all French forces on the continent. Gen. Weygand's principle task will be to quell anti-Vichy elements in the African colonies.

One recent development in Axis military cooperation is the inter-mingling of German and Italian troops in the various theaters of war. According to a *Domei* story from Berlin on Sunday travellers through the occupied parts of France have reported at least 500 Italian war planes and 3,000 Italian fliers there and in the Low countries. The same dispatch reported a steady movement of Nazi engineers, specialists and troops towards Italy by way of the Brenner. These were said to be flying to North Africa and Ethiopia.

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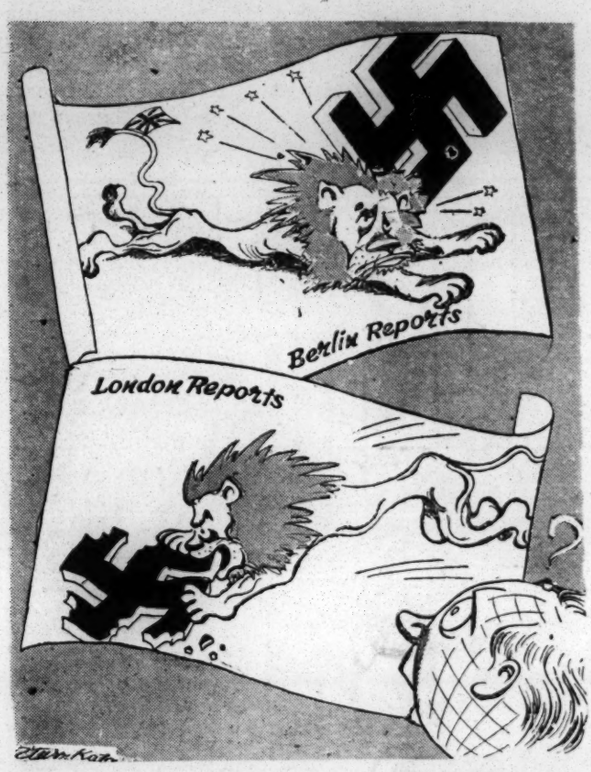
THE WAR IN CARTOONS

War Reports—As Seen in Japan



Japan Times, Tokyo

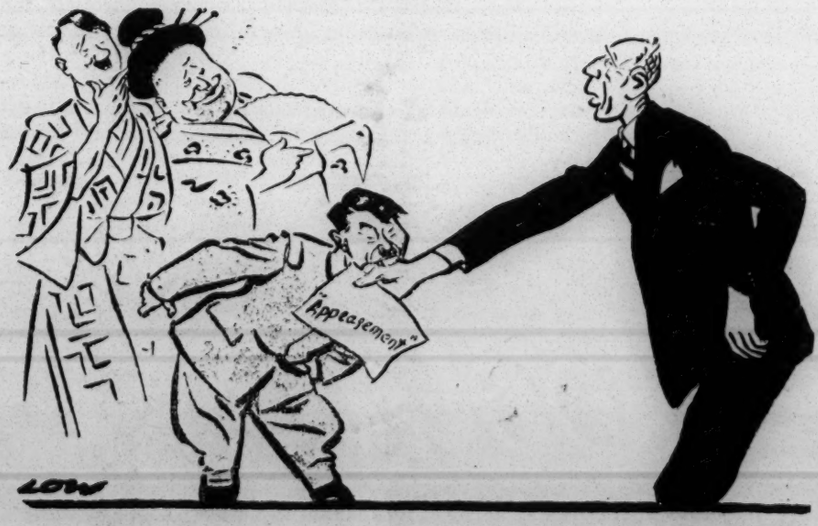
Ready for the Carve-Up

London Daily Mail

Ghandi Walks Out

Central China Daily News **(Wang Ching-wei organ) depicts Ghandi refusing to play in Britain's war orchestra and planning to continue his policy of non-cooperation.**

Imitating His Teachers



London Evening Standard.

The Long Beat

Dallas Morning News.

"He Who Hesitates——"

North-China Daily News (Noon-Bulletin)

Snuffed Out

Nashville Banner

Mussolini on Top of the World

Glasgow Herald

Adolf Hubbard

Daily Mirror, London

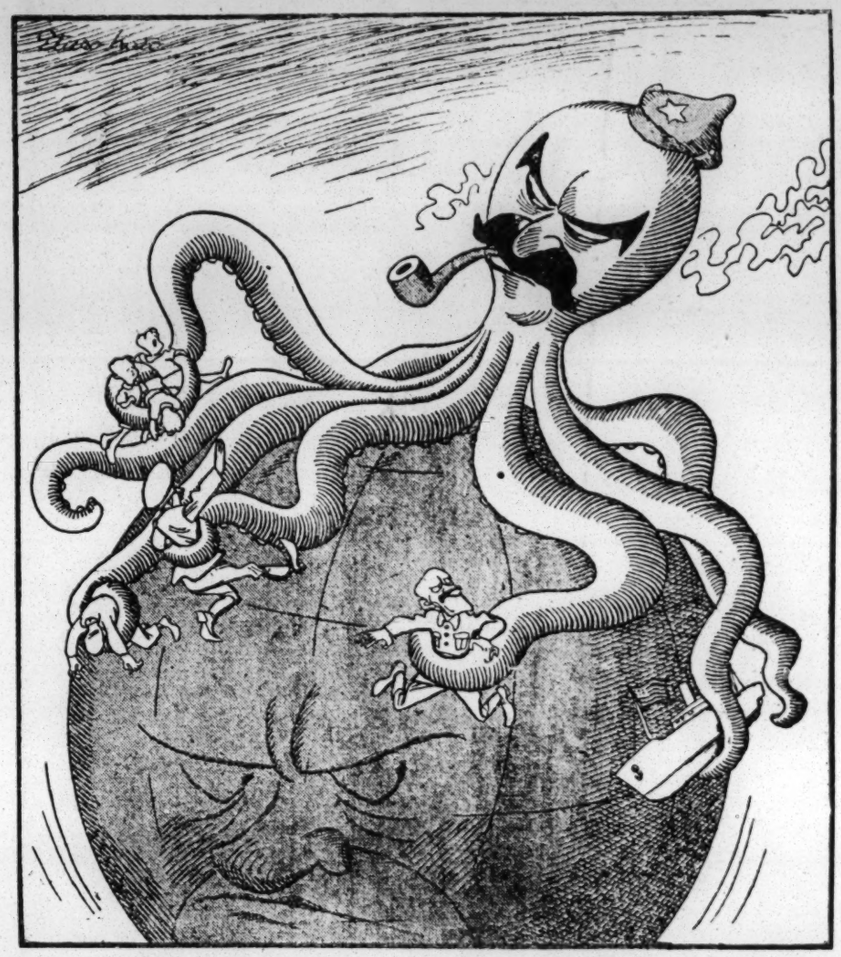
Squabble Over the Danube

This cartoon, which appeared in Wang Ching-wei's "Central China Daily News," was headed, "Will Hitler Permit Stalin to Share in the Danube?"

The Banner of Death

Wang Ching wei's paper, "Central China Daily News," warns Chinese youths against the "Banner of Death," otherwise the doctrines of Stalin and the Soviet Union.

The World's Real Enemy---Japanese View



Kato in the Japan Times

Note: The paper in which this cartoon appeared is generally regarded as the organ of the Japanese Foreign Office.

To Replace Christ

The above cartoon in Newsweek —Herald-Tribune quoted Hitler as declaring his intention of "replacing Christ with an Aryan." The cartoon was drawn by Louis Raemaekers, internationally known Dutch artist.

Tokyo View

Cartoon in *Japan Times*, Tokyo, depicts Gen. Chiang Kai-shek being supported entirely by the Chinese Reds.

Those Who Ride The Tiger

The Chicago Tribune

The Next Great Act

London Star

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France, Balkans Bow To Nazi Jewish Laws

Laws restricting the activities of Jews were passed in two countries in Central Europe last week and the status of the Jewish population in unoccupied France was expected to be clarified by a series of decrees scheduled to be published in the near future by order of the French Ministerial Council in Vichy.

On October 3, the Paris radio station announced that the statute for Jews in German-occupied areas of France provided for the establishment of a number of concentration camps for Jews who cannot return to their countries of origin in Europe.

The radio communique declared Jews will be eliminated from all liberal professions and especially will be forbidden from doing newspaper work. All heads of Jewish families were ordered to report to "headquarters" and register. Jewish merchants must place signs on the front of their shops announcing "I am a Jew," the decree stated.

The Vichy government decrees are expected to effect around 500,000 Jews now residing in unoccupied France. Half of that number were expected to now residing in Free France. About orgin.

Balkans Emulate Nazis

A series of laws passed by the Bucharest government placed restrictions on Jews living in Rumania. Dispensaries in the future may not be leased to Jews residing in Rumania. One decree declared that Jews may not own or administer farm land in Rumania. Farms owned by Jews were scheduled to pass into the hands of the government in the near future.

The Bucharest newspaper said a bill to annul all marriages contracted between Jews and Aryans in Rumania, is being considered by the government. Jewish lawyers were ordered to restrict their clients to members of the Jewish race. Their former gentile practices must be handed over to Rumanian lawyers. The executive committee of the Society of Rumanian Writers voted to exclude all Jewish writers from membership in the organization.

Anti-Jewish decrees were also issued in Yugoslavia last week stipulating that the percentage of Jewish pupils in middle and high schools must not exceed the percentage of Jews in the Yugoslav population and that Jews would not be permitted to trade in foodstuffs. The decree provided for Jewish food factories to be turned over to government officials.

Last week 500 "wandering Jews" arrived at Athens aboard the Bulgarian steamer Pentza. Refused permits to land, they left on the ship planning to land where they could as the boat moved from port to port in the Mediterranean.

S M.C. Committee Finds No Room for Economy

The Shanghai Municipal Council on October 3 adopted a report of the Economy Committee which in part said: "It is significant that although the Public Works Department's cost represents approximately 12 per cent of the Council budget, our subcommittee had no immediate material economies to suggest for consideration. In our opinion it is due to a process of internal re-organization planned and carried out by the present commissioner during the course of the past five years."

Zay Guilty; Mandel Freed in Vichy Trials

M. Jean Zay, former Minister of Education in France and later an officer in the army, was convicted last week of desertion from the army and given the maximum penalty of deportation, military degradation and paying for the cost of the trial, as officials of the Vichy government in France planned to bring other famous French leaders to trial in the next few weeks. Testifying in his own defense, M. Zay declared that he felt justified in leaving France during the last days of the conflict with Germany because he had been informed that the government was moving to North Africa.

M. Georges Mandel, former Minister of the Interior, was acquitted of treason charges by the Meknes Court on Oct. 3. According to *United Press* this spoiled the plans of the Vichy regime which had hoped to make Mr. Mandel the chief scapegoat for "war guilt" at the forthcoming Riom trials.

Edouard Daladier, former Premier of France, being held for trial in Chazeron Castle, last week chose as his defense lawyer, Maurice Rivet. The former French leader is charged with bringing about the situation resulting in the nation meeting Germany in armed conflict.

As more former French officials were rounded up by Vichy authorities for trial, the arrests of Leon Jouhaux, former chairman of the French Trade Unions Federation, and Charles Pomaret, former Minister of Labor, were announced. It was predicted in Vichy that "ruthless measures will soon be inaugurated against hoarders and traitors such as ex-General de Gaulle and ex-Admiral Muselier."

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Guerillas Active Throughout China; Japanese Bomb Chengtu, Chungking

IN celebration of the 29th anniversary of the Double Tenth Festival, guerillas swung into more intensive action along all fronts in China last week with fighting particularly severe in Shansi, Central China, Kiangsu and Kwangtung. As a result of the drainage of forces to Indo-China, the Japanese, on the other hand, curtailed their land operations but continued bombing important cities and strategic points in Free China.

The week's most important fighting took place in southern Shansi where Japanese and Chinese forces are maneuvering for position along the Yellow River, according to *Havas*. Latest report from Tungkwan revealed that the guerillas recaptured the towns of Kungyao, Shihkiapo and Peichwang after severe fighting with the Japanese. Guerillas further succeeded in destroying the Chiehhsien-Painanchen Highway, important Japanese communication and supply line in Shansi, it was claimed. At present the Japanese have withdrawn inside Chinchen, Kaoping and Yangchen in an attempt to hold these cities, stated a report in the *Chinese-American Daily News* on October 7.

Central China Offensive

Chinese troops in Central China are planning to launch a general offensive against the Japanese in the Ichang sector, according to a *National Herald* despatch received from Chungking. In Hupeh, Chinese guerillas operating along the east and west bank of the Han River were said to have attacked many strategic Japanese positions there and succeeded in inflicting heavy damage. The Japanese claimed that General Chang Yi, Commander-in-Chief of the Chungking Guerilla Corps in Northern Hupeh, surrendered on October 3 to a Japanese unit stationed in western Hupeh, according to *Domei*.

Chinese troops were reported last week to be very active along the Nanking-Shanghai and Shanghai-Hangchow railway lines. The Shanghai-Nanking train service was suspended after two successive blasts, which took place when the train struck a land mine on Oct. 3. More than 10 Japanese soldiers guarding the train were wounded and killed, according to *Sin Wen Pao*.

Activity Near Hongkong

In Kwangtung, Chinese troops launched an attack near the Hongkong and Kowloon border against the Japanese forces there, according to *Havas* report from Chungking.

Japanese naval units, according to *Domei*, made a successful attack on the Laichow Peninsula, in Kwangtung province opposite Hainan Island. The Japanese further claimed to have carried an intensive mopping-up campaigns in the vicinity of Yichow and Sintai, in Shantung, over a period of one month, thus succeeding in inflicting heavy damages upon the guerrillas.

Chinese troops claimed victory on the battle field in Chekiang where they have succeeded in recapturing Lulikiao and Hanshan, respectively south-west and south-east of Lienshin, in northern Chekiang, despite the stubborn resistence of the Japanese. On October 4, Japanese naval vessels patrolling the Chekiang coast shelled Sungyuan, Haimen, Tsienso and Laoshushan, *Domei* report stated.

Japanese planes last week paid special attention to Chengtu, judging from several successive days of bombing. Early in the morning of October 4, Japanese planes flew over Chengtu in three waves,

Libraries Become "Military Objectives"

The Chinese Student

This is a picture—after a Japanese bombing raid—of the wreckage resulting from airbombs dropped on a leading Chinese University in west China.

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bombing the city's suburbau areas. Damage done was not announced. On October 5, another fifty Japanese warplanes again raided Chengtu, a *Havas* report stated. The Japanese claimed to have made a surprise attack on the Fenghwangshan air field and to have machine-gunned a number of Chinese planes on the ground, setting fire to many of them. The Chinese claimed that three Japanese airplanes were brought down over Chengtu by Chinese anti-aircraft guns.

War Capital Bombed

For the first time in 21 days, two waves of approximately 60 Japanese planes flew over Chungking on Oct. 6, bombing the main business district, damaging the British Embassy, French Catholic Hospital and many houses in the consular zone, according to *United Press* report from Chungking. In the course of the raid, the Japanese planes dropped propaganda leaflets. Most of them fell in the Yangtsze, *Havas* reported.

Japanese air activities were reported in Chekiang and Hunan. Lishui, in southern Chekiang and Kinhwa along the Chekiang-Kiangsi Railway were subjected to heavy bombings during the week by the Japanese naval aircraft. The Japanese claimed to have caused severe damage to Chinese military supplies. Important Chungking military outposts in Hunan Province and along the upper reaches of the Yangtze river were claimed to have been bombed. On the other hand, Chinese planes were also reported active after a long period of respite, according to a Hongkong despatch revealed in the *National Herald*. Besides visiting such important towns as Canton, Sheklung and Pao-an in Kwangtung, the Chinese planes were said to have flown over Peiping on the morning of October 2. These planes dropped 200,000 tracts containing speeches made by Generalissimo Chiang Kai-shek on July 7 and September 18. The report was refuted by *Reuter* on October 6.

Philippines Must Choose "Independence Or Not"

In a special message to the Filipino people, Senator Millard E. Tydings in Washington, Oct. 5, declared that if there was to be any change in the future status of the Philippines, other than the scheduled program for independence, it must be suggested to the United States by the people of the Commonwealth.

In other words the Philippines were told that the United States would make no move to postpone Independence unless the people themselves asked that their assumption of sovereignity be put off in view of the worsening of the situation in the Far East.

On the same day in Manila Mr. Francis B. Sayre, United States High Commissioner, declared that he believed the United States Government would be ready to consider sympathetically any Filipino proposals for a change in the Independence Act.

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Europe Prepares For Bitter Winter

A wide-spread famine together with an acute unemployment problem, which has been predicted for Europe by several experts, have not yet reached proportions of a major problem in that war-locked part of the world, according to news dispatches reaching the Far East last week.

Mr. Hugh Dalton, Minister of economic warfare in London, during the week declared that there will be no famine in Europe as a whole this winter, but admitted that local famines might occur in German-occupied territories because of the refusal of Germany to supply these areas with food. He reiterated a statement made by Prime Minister Winston Churchill that Britain would not allow relaxation of the British blockade to permit food to reach German-occupied territories.

Food restrictions were being enforced in unoccupied France last week. Under recent decrees, bread was rationed at 350 grams daily per person, sugar at 500 grams, cheese at 50 grams, pastes at 250 grams and fats at 100 grams. Shops reported no difficulties in enforcing the restrictions but trouble cropped up in cafes owing to the necessity of obtaining multi-colored food tickets corresponding to the authorized menu while at the same time receiving payment for the meals. Meat is permitted only on certain days, but it was announced that persons forgetting their food tickets may purchase fish, fowl and vegetables.

Dutch Children Fattened

A *Transocean* report from Amsterdam said that everyone of the 7,000 Dutch children who were sent by the German authorities from the parts of Holland which suffered particularly from war, to the German Eastmark had gained on an average of eight pounds.

In Copenhagen, Premier Thorvald Stauning declared last week that Denmark's raw material supplies for production continued to be diminished by present conditions and for this reason the government has examined various plans for giving the population employment. Besides undertaking to erect a large number of industrial plants in the country, planting of forests and reclaiming of marshes were also scheduled to be promoted by the government.

The entire Swiss wheat and rye crops for 1940 as well as other stocks left over from previous harvests have been confiscated by a decree issued by the Agriculture Department of the government. The measure, it was announced, was passed in order to safeguard the supply in Switzerland of vital foodstuffs and fodder requirements.

Press reports from Spain indicated a good orange crop this year and predicted that large shipments of the fruit would go to Central Europe.

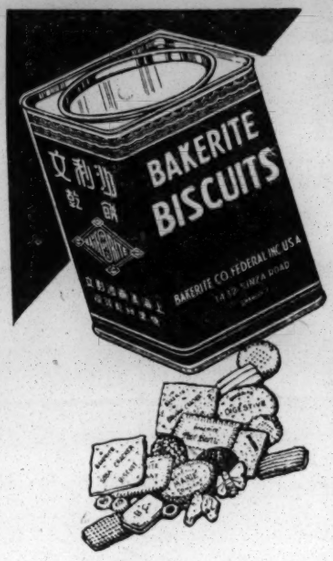
Mexico Quiet as Almazan Supporters Admit Defeat

Following the shooting of General Andres Zarzoza and one of his lieutenants by police officials, it was announced in Mexico City last week that a coup d'etat against the Mexican Government, scheduled to take place in Nuevo Leon October 1, had been frustrated, according to *Transocean*.

It was announced the two men were shot to death after they were trapped in a building in Nuevo Leon. General Zarzoza was a supporter of the defeated presidential condidate General Juan Almazan now on leave of absence because of his political activity.

Meanwhile the illegal congress set up in support of General Almazan some time ago, has quietly dissolved itself, it was reported in Mexico City.

Cuba is scheduled to come under a constitutional government when Colonel Fulgencio Batista is inaugurated as President of that country in Havana, Oct. 10. Last week complaints of election irregularities continued to be hurled at the new President, but it was believed that a solution would be found to the election protests before the inauguration ceremonies take place.



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Japan Awaits Burma Clarification Silently; Thai Persists in Demands

BRITAIN TO REOPEN BURMA ROAD ON OCTOBER 18

Prime Minister Winston Churchill announced in the House of Commons on Oct. 8 that Great Britain would not renew her agreement with Japan to keep the Burma road closed. On the same day British Ambassador to Japan, Sir Robert Carigie called on Foreign Minister Yosuke Matsuoka and informed him that the road would be reopened to traffic with China on Oct. 18.

In his explanation on the reopening Mr. Churchill said Great Britain had closed the road three months ago because she, "wished to give an opportunity to....Japan and China to reach a....settlement of their long and deadly quarrel. Unhappily this had not been reached; on the contrary the protracted struggle of Japan to subjugate the Chinese race was still preceeding with all its attendant miseries."

The Burma Road question threatened to become the new powder barrel in the Far East last week when in face of a direct warning from Japan reports from London indicated Great Britain would reopen Free China's only remaining overland route Oct. 18.

In Washington, Mr. William Phillip Simms, foreign editor of the Scripps-Howard chain of newspapers, warned that the United States could expect to be involved in a dangerous situation when Britain reopens the Burma Road.

The Japanese press on Oct. 2 warned Britain that the Japanese Government would resort to its own measures if Britain reopens the Burma Road for the shipment of war materials to Chungking.

The Japanese newspaper, Yomiuri Shimbun, predicted that Britain would open the important highway as soon as the present Anglo-Japanese agreement expired on the 17th of this month.

Significant was the press report from London announcing that Mr. Winston Churchill's first political gesture following the reshuffling of the British Government was to receive the Chinese Ambassador, Dr. Quo Tai-chi, to whom he was believed to have disclosed Britain's intention to reopen the Burma highway.

Japan Non-Committal

On Oct. 7, Foreign Office spokesman Yakichiro Suma declared that the Japanese Government had taken no steps yet nor could he say whether any moves will be taken by the Japanese Government regarding the Burma road issue.

His tone was far more cautious than that of the Japanese press which continued to hurl warnings at both America and Britain. One newspaper in Tokyo asserted that Japan would take action to "remove all obstacles to Japan's mission of establishing a Greater East Asia." It was pointed out that the reopening of the highway would be considered such an obstacle.

In Washington, informed circles heard that the United States was awaiting not only the crystallization of British and Japanese relations, but was studying editorial reaction from Russia on the Burma question.

Thai Demands Stick

Meanwhile a neighbor nation of Burma, Thailand moved closer to the limelight of world news when her demands for land in Indo-China were met with stubborn French resistence last week. A German news agency report from Bangkok indicated that relations between the two countries had worsened during past week. The news agency reported that the situation became more tense when French authorities refused to permit Thailanders to cross the frontier into their native country on Oct. 6.

French troops were busy constructing fortifications along the border on Oct. 7, the report stated. On the same day Luang Bipul Singgram, Premier of Thailand, told members of the press that the "territory we are claiming belonged to Thailand and is still inhabited by people of our nation. All people in the world, including the French, admit the justification of our demands," the Premier declared.

In Washington, the Thailand Minister denied reports that his country's demands for land in Indo-China were in any way connected with demands and action taken by the Japanese in the French colony.

On Oct. 5 Japanese officials announced to the world that Japanese troops stationed in Indo-China under the recently signed treaty would only be temporary. The "invasion" was for military operations against China, the spokesman declared.

The possibility of Thailand joining the Three Power Alliance was expressed by observers in Bangkok last week. No confirmation of such a move was reported in any other quarters, however.

All planes and war materials en route from the United States to Thailand were held up by an order from Washington, it was announced in a White House conference.

Japanese Insurance Firm Shifts Assets, Contracts

The Tokyo Marine and Fire Insurance Company On September 30 withdrew from the fire underwriting field in New York in favor of its subsidiary, the Standard Insurance Company, to which all assets and contracts were transferred, it was announced in Tokyo.

Chinese Officials Meet With President Quezon

Two prominent Chinese officials, Mr. C. Kuangson Young, China's Consul-General in Manila and General Wu Te-chen, Overseas Minister and former Mayor of Shanghai, met with President Manuel Quezon on Oct. 1 in the capital of the Philippines.

Wu Te-chen, Chinese Overseas Minister and former Mayor of Shanghai.

Results of their conversations were not made public. The talk completed a series of conferences held by the Chinese officials with Philippine Government leaders.

The visitors were entertained on Oct. 2 by Mr. Francis B. Sayre, United States High Commissioner to the Philippines, at a luncheon.

U.S. Mail, Nippon Ships Held Up By British Navy

The island of Bermuda was a trap last week for planes as well as ships operating between Europe and America. In Tokyo, newspapers carried glaring headlines on Oct. 6 stating that it was believed British authorities had seized and were holding two N.Y.K. liners following a report from the company's New York office that contact with the two boats could not be made.

Newspapers said it was known the two ships had put in at Bermuda. Other reports said it was not actually known that the ships had arrived, but that they were scheduled to arrive from Lisbon. It was pointed out in Japan that Britain was daily bringing more pressure to bear on Japanese shipping.

A few hours later on the same day, however, the Japanese Foreign Office announced that a message had been received from the N.Y.K. liner Hakone Maru and that the ship was held up in Bermuda for several hours, but was permitted to sail on October 4 for New York.

On Oct. 2 a new record in mail seizures was set at Bermuda where British censorship authorities took two tons of mail from a Pan-American trans-Atlantic Clipper plane en route from Lisbon to New York.

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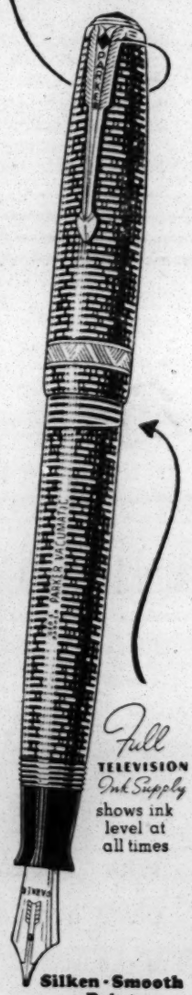

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Shanghai Life Disrupted By Week of Floods

Two days of continuous rains during the early part of last week resulted in large areas of greater Shanghai being flooded as high as three feet in several sections. Tuesday and Wednesday found areas in the city nearly blockaded by high water, described by old-timers as the worst in the history of Shanghai.

Flood waters extended along Avenue Joffre beyond Rue Cardinal Mercier and over the area between Avenue Joffre and Bubbling Well Road to Gordon Road. By Friday the water had found its way to Whangpoo and the city became normal. Damage to property in the city was estimated at many thousands of dollars.

A typhoon reported moving toward Shanghai on October 2 was deflected from its course and blew itself out in the west Pacific ocean late Thursday. Thirty persons were known to be dead and many others injured when a second typhoon struck the island of Formosa Sept. 29. An estimated 4,000 dwellings and building were totally destroyed. Rice, banana and potato crops suffered heavy damage. Water and land communications were disrupted.

Japanese Navy Officer Takes Post in Shanghai

Rear-Admiral Masao Kanazawa, former director of the press bureau of the Naval Section of the Imperial General Headquarters in Tokyo, left the Japanese capital for Shanghai Oct. 4. He has been assigned a new post in the headquarters of the Japanese China Seas Fleet. Mr. Ken Tsurumi, Director of Information of the Japanese Consulate-General at Shanghai, has been promoted to the rank of Consul-General and will be assigned to serve in Singapore, it was announced on Oct. 3. Vice-Admiral Naokuni Nomura, former Commander-In-Chief of the Japanese North China Seas Fleet, has been succeeded by Vice-Admiral Mitsuyoshi Shimizu, it was officially announced in Tokyo Oct. 7.

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S'hai Chinese Living Cost Soars Again

Costs of living for Chinese workers in Shanghai increased by 8.73 per cent during September as the price of rice jumped to nine times above the 1936 level, a survey last week revealed. The sudden rise in living costs was due principally to purchasing power of the dollar which has been reduced to 20.76 cents against the 1936 value.

According to press reports the sharp advance is a direct result of unscrupulous speculators rather than the drop in the value of the Chinese dollar.

The *North-China Daily News* declared in a lead story on Oct. 7 that as a prerequisite to improving the rice situation in Shanghai, the present rice merchants' guild in the International Settlement known as the Shanghai Rice and Bean Merchants' Association, must be abolished.

A Shanghai Municipal Council report declared that rice stocks in the city are plentiful and are still arriving in the city in large quantities. The present increase in the price of rice is definitely out of line with the facts of the case, the report pointed out. According to the S.M.C. survey, the Chinese workers' cost of living index reveals that food in September cost five times as much as in 1936 and rent was nearly three and a half times that of 1936.

Last week the price of first grade rice was $96 per picul. In 1936 the price of second grade rice was $9.90 per picul. From Kian came the report on Oct. 5 that an abundant harvest has been reaped in northern Kiangsi. The press report said that 70 per cent of the crops at Shangjao and other districts in northern Kiangsi had been harvested by the local military forces.

Bubonic Plague Strikes Capital Of Manchukuo

Only a few days after a severe Cholera epidemic was checked in Hsinking, capital of Manchukuo, a wave of Bubonic Plague hit the city on Oct. 6, taking 15 lives in the first few hours.

Special measures were ordered by authorities to bring a quick halt to the spread of the dread disease. Sections of the capital were blocked off and traffic in those areas was suspended.

Good News Or Bad?

Good news will seem even better, bad news not so bad, if you are able to face the world with a smile. But it isn't easy to be cheerful if you are liverish, bilious and generally out-of-sorts.

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Yunnan was China's Back-door; Now it is First Line of Defense

BY C. Y. W. MENG

WITH the capitulation by the colonial governor of French Indo-China to the Japanese demands to land troops at Haiphong to gain passage through Annam for an attack on the Chinese in the Southwest, Yunnan, which used to be regarded as the "Back Door" of China, will soon become actually the front line of China's defense. "The Land South of Clouds" is now being called upon by the Motherland to perform a "Dual Task," not only to become the center of China's National Economic Reconstruction, but also to defend China's "Back Door."

"Be Prepared" is what General Lung Yun, Chairman of the Provincial Government of Yunnan, told his people when the Japanese demands to the French colonial authorities were first reported early in September. When the French government capitulated to the Japanese demands, the Governor was reported to have called important meetings of all magistrates and Kuomintang workers in Yunnan to discuss the situation. In his speech. he said: "....Yunnan Province must pursue a policy of resistance against aggression in accordance with the principles laid down by the Central Government...The march into French Indo-China is a definite part of Japan's southward expansion program...Ever since the Japanese occupation of Nanking, its militarists have vowed to capture French Indo-China in order to drive into the vast southern regions of China...To invade French Indo-China, Japan has two courses to follow. One is by invasion and the other by coercion. Invasion means possession, while coercion implies acquiescence on the part of our neighbour ....In either case, Japan aims to invade Yunnan Province...."

Bulwark of South China

He also revealed that Yunnan is now cooperating with Kwangsi Province in the defence of South China. He said again in part:

> "Yunnan borders Kwangsi Province. Security and well-being of the two provinces are indivisible and interdependent....Steps for defending the southwest have been outlined by the Government....The only thing that Yunnan should and must do is to mobilize the whole province to resist the aggressor...."

The Governor exhorted his subordinates to do three important things in their localities. They are: To arm the masses, to eliminate treacherous and undesirable elements, and to propagate the government's principles of resistance.

In another stirring manifesto to the Yunnan people, General Lung Yun recalled the important historic part played by their ancestors in fighting against invasion. He asked the cooperation of everyone in mobilizing the man-power and resources of the province during the present emergency. Regulations for organizing and training all able-bodied youths in Yunnan have been promulgated and enforced. Should Yunnan be invaded, he said emphatically," I myself will lead an attack on the enemy!"

I remember in his early speech before the Provincial People's Political Council on July 20, 1939, Governor Lung Yun said: ".....Yunnan is a very important and hopeful province. It is only through offering all our resources to our nation that we can expect a bright future. The idea held by certain people that Yunnan can take things easy in the war time since it is far in the rear is a suicidal policy and should never be considered seriously...."

Call to Arms

The heightened fighting spirit, the enthusiasm for resistance and the patriotism of the Yunnan people are best demonstrated in the elaborate preparations made by various circles for the observance of the third anniversary of the War of Resistance on July 7. A call for Yunnan youths to do war service at the front was advertized in the Yunnan local newspapers, and the movement aroused considerable interest among public bodies, and quick response from the younger generation.

Part of the Declaration reads as follows: "....The Third Anniversary of our Resistance marks the beginning of our final victory and at the same time of a period of extreme difficulties; the closer our victory, the more bitter the suffering....Not only should we marshal our resolute will to weather adversities, we should with brain and blood fight for the final victory on the battlefield....We lose our home, our work and our studies. We are driven by thirst and hunger....Pain and distress afflict our daily lives....None other than our race's enemy—the Japanese—are responsible for all these unfortunate happenings.... Today, with our resistance nearing victory, we should no longer wander or roam, but muster the courage we have in us and our blood for the creation of a bright and new life....Any one who is willing to give himself to the Nation, who is willing to undergo suffering and hardship and take up practical salvation work at the front, is requested to make arrangements with Chang Yu-tsai at the mosque in the Golden Ox Street...."

Yunnan Soldiers Fight

Yunnan is a big man-power reservoir of China. According to the "Three-Year Military Training Plan," all adults in Yunnan between the ages of 18 and 36 must undergo a period of political education and military drill which is now being carried on in every one of the 130 administrative units of the province. By 1942, all able-bodied youths in Yunnan Province, a total of 1,100,000, will have been trained at a rate of 370,000 a year. This is the latest program of the "Citizens' Military Training Bureau of Yunnan" which has the Mayor of Kunming, General C. F. Pei, as its Director.

Yunnan joined the all-China resistance on October 10, 1937, when tens of thousands of soldiers marched out of Kunming after an oath-taking ceremony. The prowess of the men was put to a severe test by the rigors of the 1,200-mile march. With only a small number needing medical attention on the way, the entire army reached Hankow in sound condition.

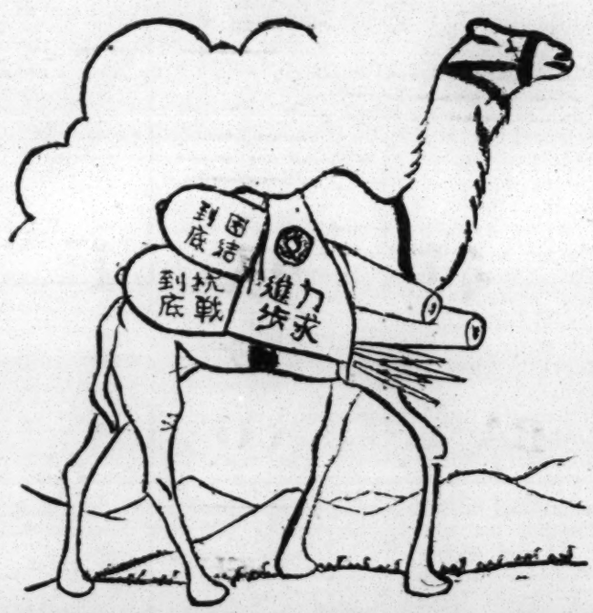
The men were reinforced by a second army in July, 1938. The latter encountered even greater difficulties as they trekked northward under the most trying weather conditions.

While in Hankow, the troops underwent further training and at the same time participated in the construction of Hankow's defence works.

The men's earnest desire for front line service grew. The long awaited order to the front came on April 14, 1938. The destination was Taierchwang. With scarcely a rest, the men rushed to their designated position in all haste. Their zeal for action and their fighting spirit gave an impressive display at the war front. The men withstood terrific ouslaught for ten successive days without yielding an inch of ground to the enemy.

With this as a beginning, the Yunnanese troops have been piling up enviable fighting records in different war zones. They were among the units at Hsuchow which bravely fought a rear-guard action, holding

Now by Camel Train



British closure of the Burma road made it necessary for China to obtain her supplies of arms and munitions over the long road through Turkestan and Russia, by camel train. Chungking cartoon was entitled, "so long as there is unity China will have success."

the advancing enemy at bay until all the troops had safely evacuated from the railway city. When the center of operations shifted to the Yangtsze region, the men participated in the defence of Hankow by garrisoning the Hupeh and Kiangsi border.

Seasoned Veterans

After but a brief rest in Hunan, the Yunnan units were ordered to reinforce the defenders in north Kiangsi. Nanchang was lost, but the men arrived in time to check any further advance of the enemy. In May, when the enemy launched the Hupeh campaign, the men counter-attacked in north Kiangsi, preventing the Nanchang enemy from reinforcing their Hupeh units.

Anxious to get all-round experience in war, Yunnan soldiers organized guerrilla units which have been operating behind the enemy lines with great success. On July 27, 1939 one of the units ambushed a Japanese caravan of six trucks and three motor cars in north Kiangsi. Among the Japanese killed were 21 officers including a major-general.

In the enemy's futile push toward Changsha last September and in the Chinese counter-attack in north Kiangsi this March, the Yunnan units acquitted themselves with laurels both in the defense of their positions and in the attack.

Strict discipline is held as one of the main reasons for the success of the Yunnan units. Irrespective of any obstacle and sacrifice, the men would carry the commander's order to the goal. One of their valuable assets is their close cooperation with the people.

Such is the fighting record of the soldiers from the "Land South of the Clouds." With further enforcement of intensive mobilization and organization and rigid training, Yunnan is another place where the enemy will meet another most stubborn resistance. Further, topographically speaking, Yunnan is favorable to defence and difficult to attack. So the Chinese predict that the "Battle of Yunnan" will be Japan's "Battle of Waterloo."

But the present national sentiment is largely the result of the launching of the Mass Educational Movement throughout the province. No less than 30,000 persons ranging from 16 to 35 years old are taught to read and write Chinese characters and are given war-time education. The subjects to be taught include citizenship training and character reading and writing. The development of national consciousness, appreciation of the true meaning of resistance and the spirit in war service, are among the important topics to be discussed.

Education for Defense

The task of pushing the program has been entrusted to mass education circuit corps which will tour the districts. Magistrates and secretaries of the Kuomintang in designated districts are ordered to promote education and to render whatever help they can give. The assistance of presidents of middle schools and teachers and students of

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normal schools has been solicited to carry out the program.

Illiterates of either sex and within the set age limit, who live in the experimental districts, are required to join the classes. Thirty thousand textbooks have been printed by the educational department for free distribution.

Yunnan's significance in the present war was increased several years ago by the construction of the Burma Road and Railway with American and British assistance. Over this highway and railway went a great portion of China's commodities, whose exports helped China to pay off her loan obligations to foreign countries. Its transportation capacity is 150,000 tons annually.

Through the subsequent construction of the 914-kilometer Szechuen-Yunnan Highway, Yunnan could be reached from Szechuen in four days, thus saving a distance of 236 kilometers by the 1150-kilometer Chungking-Kunming highway via Kweiyang. Thousands of heavy-duty trucks carrying China's export of vital products and import of necessary materials now make the run between Kunming and Luchow on the Yangtsze river in southern Szechuen. From Luchow, goods are shipped to Chungking either by junks and steamers or by truck via the Chungking-Chengtu Highway. The new highway eases traffic congestion on the Chungking-Kunming Road.

This new highway is six and a half to seven meters wide, stone-paved. It has 23 stations. Four hostels have been established in cooperation with the China Travel Service for the benefit of travellers.

Six work shops are located at strategic points along the Road to aid motor vehicles in trouble. The three larger ones have each a capacity of 150 trucks. Several material and liquid fuel depots are built along the Road.

British Capitulation

But with another capitulation by the British authorities to Japanese demands, the Burma line was closed during the "rainy season" of the past summer. In fact, as pointed out by an official of the Ministry of Communications, "Rain or sunshine, this trade artery is always available." The truth, is that immediately following the rainy months in 1939, the Ministry of Communications appropriated a sum of $10,000,000 for strengthening the road.

Road's Safety Assured

Today the reasonable safety and serviceability of the road is assured. Part of the $10,000,000 is set aside for local repair and maintenance work. The Ministry does not expect traffic to be held up for more than a day in the case of landslides, as road gangs will be rushed from the nearest depot to clear the way at once. The same official added: "....After almost one year of constant improvement, the Burma road this year stands the bad weather very well. There is every reason to believe that it will give no hindrance to the normal flow of traffic during the rest of the rainy season...."

It is, therefore, clear that the Burma Road is serviceable in the rainy season. What was stated by the British Government was a bit of diplomatic subterfuge that fooled nobody and was on a par with the statements of Chamberlain after the Munich capitulation which started Hitler on his career of conquest.

Industrially, Yunnan is rich in mineral wealth. This southwestern border province tops the nation in the production of tin and copper, parts of which go to pay off loans which New China had contracted with some of the friendly powers.

Agriculturally, Yunnan produces annually 63,276,435 piculs of rice, 14,770,863 piculs of corn and 10,661,913 piculs of potatoes. In addition, it usually has a good harvest of wheat, barley, kaoliang, beans and other foodstuffs. Due to many encouraging measures from the provincial government, Yunnan has very good prospects for growing tea, cotton, hemp and mulberry trees. These four products are considered by Governor Lung Yun as the most hopeful "cash products" of the province.

For this reason, China could not afford to lose Yunnan, and China is prepared to defend the "Land South of the Clouds" to the last inch of territory and to the last man.

Chungking
September 17, 1940.

In the United States Court for China

In re: Last Will and Testament of RUSSELL BASSETT Deceased	Cause No. 4533 Special Proceedings No. 2412 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of RUSSELL BASSETT, deceased, to present the same with vouchers to the undersigned on or before May 10, 1941, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

JEAN M. BASSETT
Executrix,
157 Hungjao Road,
Shanghai, China

Shanghai, China.

October 7, 1940.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

September 7

The French have stipulated that the Japanese be allowed to use the Haiphong railway to the Chinese border only and not leave the railway zone, according to **United Press** reports from Hongkong.

Washington circles believe that Anglo-American co-operation in the Far East, where the vital interests of both countries are threatened by the Japanese policy, already exists.

Authoritative circles declared in Chungking today that the Chinese would wait for a Japanese invasion before taking action themselves, and that they will afford the utmost respect to the territorial rights of Indo-China as long as these rights are not violated by the Japanese.

Principles of the new Japanese political plan, aiming at the construction of a new order in East Asia and intensive national defense program, were outlined and approved by the Cabinet at a meeting yesterday, according to Reuter report from Tokyo.

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September 8

Reports alleging that Chinese troops had penetrated Indo-China territory and had clashed with a French military unit were categorically denied by authoritative circles in Chungking today.

In an official mandate, the Chinese Government designates Chungking one of China's two auxiliary capitals, the other being Sian, thus clarifying a long-standing dispute regarding the exact status of Chungking following the removal of Government offices to this city after the fall or Hankow, Reuters report from Chungking states.

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September 9

A report that Japanese marines had attempted to land at Kwangchowan Bay, French-leased base on the Kwangtung coast, on September 4, but were repulsed by the French garrison, was given prominence today by the official Central Daily News.

A new deadlock has occurred in the Franco-Japanese negotiations with the departure of two of the leading members of Major-General Issaku Nishihara's mission, according to reports from Hanoi.

The Japanese yen depreciated to 106 at noon in Hongkong today because of sudden official notification that the yen hereafter would be based on sterling, applicable in Hongkong only.

Chinese troops make big gains in counter-drive in which 105 Chinese regiments engaged the Japanese in 102 battles and retook 46 strategic points from Southern Shansi to east Hopei and north Chahar, the New China Daily in Chungking claims today.

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September 10

The Franco-Japanese talks were expected to become normal today, Hanoi reports stated. Meanwhile, Chinese circles in Chungking believe that Admiral Decoux, Governer-General of the French Colony, would yield to Japanese demands, according to **Reuter** report from Chungking.

The famed Chinghsing coal mine, a vital center held by Japanese troops on the Shansi-Hopei border, was throughly destroyed by Chinese forces, the Communist New China Daily, Chungking's newspaper, claims today.

Rice hoarders assailed by Generalissimo Chiang Kai-shek in view of the high price and shortage of rice in Szechwan.

Official quarters of the Fourth U. S. Marines in Shanghai decline to confirm Chinese reports that the American Marines will take over Defense Sector "B" of the Settlement after September 25, according to The China Press.

*
**

September 11

Admiral Decoux, Governor-General of French Indo-China, is reported to have dispatched three cables to President Roosevelt, states a **Reuter** report from Hongkong. Meanwhile, the Japanese are stated to have made three demands at noon yesterday: 1, The right to establish three air bases in Tongkin with personnel of 8,000 men at each base; 2, Use of the French naval base in Camrhan Bay, and 3, Passage of 60,000 troops to China.

In a sweeping reorganization of the Japanese Army, the present six departments: the Infantry, Cavalry, Artillery, Engineer, Transport and Aviation Corps, will be merged into a single vast army organ, states a Domei report from Tokyo.

According to **United Press** from Chungking, traffic along the Shihchia chwang-Taiyuan railway has been suspended for the past 20 days due to the destruction of many important bridges by Chinese guerrillas, military circles claimed today.

Chu-yi, the most important stronghold of Chinese communist troops in the Kiangsu-Anhwei border area, was reported by **Domei** to have fallen into Japanese hands early yesterday morning.

*
**

September 12

The Chinese military spokesmen in Chungking yesterday confirmed reports that Chinese forces on the Yunnan-Indo-China border had destroyed the railroad bridge at Hokow, thus cutting the Yunnan railway.

Reuter report from Tokyo states that the agreement on trade and payments between Manchukuo and Germany has been renewed with some modifications for one year.

Mr. Tateki Horiuchi, former Director of East Asiatic Affairs Bureau, appointed Japanese Consul-General in Shanghai and concurrently Minister-at-Large to China, according to **Domei.**

*
**

September 13

Japanese planes bomb Chungking three times in 24 hours, demolishing the German Embassy in the modern suburb by a direct hit, according to **United Press.** The same news agency further states that approximately 500,000 guerillas have started an offensive against Japanese garrisons in North China.

Mr. Yosuke Matsuoka, Foreign Minister of Japan, was reported by the

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United Press to have declared that Japan's "Great East Asia" program is at present aimed at acquiring materials and arranging sources of supply.

Responsible quarters in Chungking today vehemently denied reports from abroad to the effect that the alleged peace faction in Chungking was growing in strength and might soon bring about Sino-Japanese peace.

The South Manchuria Railway will enforce shortly its biggest personnel reshuffling, according to the Mukden correspondent of the **Nichi Nichi Shimbun** today, United Press from Tokyo states.

According to semi-official Japanese reports, a decree was promulgated in Nanking today convoking the National Assembly for January 1 with a view to the adoption of a constitution.

S'hai Papers Bombed; S.T. Chen Executed

The probable fate of most Shanghai kidnap victims was suffered last week by S. T. Chen, former executive vice-president of the American Engineering Corp. He was shot by a Nanking firing-squad on Oct. 2. The report was published in the pro-Wang Ching-wei *Sin Shun Pao*.

Mr. Chen was kidnapped from his private car on July 9 while driving on a Settlement road. He was one of the leading Chinese engineers in Shanghai where had he had dwelt since finishing his schooling in the United States. The Nanking paper reporting his execution declared that he had received large subsidies from the Chinese Government for the formation of an assassination corps but had been seized before his plans were put into operation.

The tide of political terror in Shanghai turned against the Wang Ching-wei regime last week with bomb attacks made on two of the puppet government's news organs. The newly established *Bing Pao* underwent its baptism of fire late in the evening of Oct. 3 when three hand-grenades were hurled from a passing car at the door of the business office on Foochow Road. Eight persons were injured in the blast, one fatally. The explosion shattered window-glass in the office and neighboring buildings. The gangsters disappeared up the street. Six of those injured were employees of the paper; one was a Chinese police constable of the Shanghai Municipal Police. No arrests were made in the case although a police cordon was immediately thrown round the block. A similar outrage occurred several months ago when the *Wen Hui Pao*, British-owned pro-Chungking paper was situated in the same premises. The Nanking interests later bought out the British ownership.

On the previous night, Oct. 1, a hand-grenade was thrown into the premises of the pro-Nanking *Central China Daily News*, but failed to explode.

On Oct. 4 the fatal shooting at Hankow of Tai Ping-ching, manager of the Middle-River bank was reported by *Reuters*. Tai died the same day. Japanese police were unable at latest report, to find any trace of the assassins.

Who's Who in China

E. C. Ning, banker, born at Mukden, Feb. 26, 1901; graduate of Nankai School, Tientsin, 1918-1923; London School of Economics, 1923-1926; University of Oxford, 1926-1929; Assistant in Midland Bank, London, Paigton and

宁恩承

E. C. Ning (Ning En-cheng)

Exeter, 1924-1926; Chief Auditor in Frontier Bank, Mukden, 1929-1933, Secretary-General, Northeastern University, 1932-1934; Director of Consolidated Taxes in Hopeh, Shansi, Suiyuan and Chahar Provinces, 1933-36; Commissioner of Income Tax, in Hankow, 1936-39; General Manager's assistant, Central Bank of China, Chief of Finance Dept., China Industrial Cooperatives; Author of: Statistical Method; History of Currencies in the North Eastern Provinces; Problems of Foreign Exchange; Coöperation in Denmark; address: c/o Central Bank of China, Chungking, Szechuen.

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Men and Events

Mrs. John S. Potter and daughter returned last week from vacation spent at Weihaiwei.

*

Chang Ta-hsing was appointed secretary in the Ministry of Foreign Affairs at Chungking on Oct. 4.

*

D. M. Biggar, manager of the Chase Bank in Hongkong, arrived in Shanghai this week on a business trip.

*

J. V. Crowe, manager of Ford Motor Co., Exports, Inc., returned to Shanghai from a business trip to Hongkong.

*

Mrs. Ida F. Helmick, mother of Judge Milton J. Helmick, departed from Shanghai this week on a trip to Honolulu.

*

C. F. Cress, representative of the Chrysler Corporation, and Mrs. Cress departed this week on a business trip to north China.

*

Lady Craigie, wife of Sir Robert Craigie, British Ambassador to Japan, has returned to Tokyo from a shopping trip to Shanghai.

*

Dr. Winifred Cullis, first woman to be appointed professor in any medical school in England, addressed members of the Shanghai Public Health Club October 3.

*

Com. John M. Creighton, U. S. Naval Attache stationed at the U. S. Embassy in Peiping, arrived in Shanghai this week. He was accompanied by Mrs. Creighton.

*

Peng Pai-chuan was appointed Superintendent of Education in the Ministry of Education of the National Government, according to **Kuomin** report from Chungking on Oct. 6.

*

Mr. and Mrs. G. G. Bradford have returned to Shanghai from a visit of several weeks in Peiping. Mr. Bradford is representative in China for the Frigidaire-Delco division of General Motors.

*

The Tokyo Foreign Office has appointed Yasumitsu Fukui Consul at Amoy. Mr. Fukui was formerly connected with the Japanese Consulate-General at Macao, Portugese Colony, near Hongkong.

*

Yu Chung-ying, recently appointed Mayor of Chengtu, capital of Szechuen province, assumed his duties on Oct. 1. Mayor Yu announced that Fan Yung-to had been appointed chief secretary of the Chengtu Municipality.

*

Henry James Smith, aged 38, member of the staff of Yee Tsoong Tobacco Distributors, Ltd., (British-American Tobacco Company), died at the Country Hospital on Sept. 29. Funeral services were held at the Hungjao Road Cemetery on Saturday, Oct. 5.

*

H. E. Henry Cosme, French Ambassador to China, departed from Shanghai for Chungking on Oct. 5. The Chinese paper, **National Herald**, stated that Ambassador Cosme's trip had aroused widespread interest due to the "changed political situation."

*

Dr. John Lyon Caughey, Pastor of Community Church, Shanghai, and Mrs. Caughey, who have been in the United States on vacation, were scheduled to sail for Shanghai aboard the President Coolidge on Oct. 4 and were expected in Shanghai on Oct. 24.

The Chilean Charge d'Affaires, Dr. Juan Marin, and Mrs. Marin, have returned to Shanghai from vacation spent at Peitaiho and Peiping. The Chilean Legation is located at Grosvenor House, French Concession.

*

J. H. Taggert, managing director of the Hongkong and Shanghai Hotels, Ltd., was a passenger on the President Cleveland, which departed from Shanghai on Tuesday of this week, enroute to San Francisco and Los Angeles.

*

Lieut.-Col. Hermann Kriebel, well known in the Far East, has been promoted to the rank of Colonel by Hitler, according to **Transocean** report on Oct. 4. Col. Kriebel was Military Adviser to China from 1929 to 1933 and from 1934 to 1935 he was German Consul-General in Shanghai.

*

William John Milne, well known British businessman in Shanghai, member of the firm of Reilly, Simoons and Milne, died at the Country Hospital on Friday, Oct. 4. Funeral services were held at Bubbling Well Chapel on Monday, Oct. 7 with the Rev. C. W. Allen officiating.

*

Tuan Mao-lan was appointed director of the American section of the Ministry of Foreign Affairs of the National Government on Oct. 2, according to a **Kuomin** dispatch from Chungking. The dispatch also stated that Fan Kwang and Tien Yu-shih had been appointed counsellors of the Ministry of Finance.

*

An **International News Service** message from Hongkong on Oct. 1, stated that Sun Fo, president of the Legislative Yuan at Chungking, may shortly resign. Sun Fo has been in Hongkong for several weeks. The report stated that his resignation, if tendered, probably would not be accepted by the National Government.

The Hongkong Government announced on Oct. 5 that it would hand over to the British Government the sum of £200,000 annually for the duration of the war — providing the profits of the Hongkong Exchange Stabilization Fund reaches that figure. The present status of the Fund indicates that the Colony will be able to make the contribution this year, stated the report.

*

Wang Chih-ching, president of the Japanese-controlled Federal Reserve Bank of Tientsin, arrived in Japan on Oct. 6, his purpose being, according to **Domei**, to "express his gratitude for the support extended to him by the Japanese when his bank was established." Mr. Wang was accompanied by five assistants from the bank and said he planned to remain in Japan for two weeks.

*

The Rotary Club in Mukden, organized several years ago and containing a membership of Japanese and foreigners, held its last meeting on October 4. The decision to disband the Mukden club followed the dissolution of the Japan-Manchukuo Rotary Federation as a result of official pressure in Japan. The **Manchuria Daily News** said that a "social" club would be formed to replace the Rotary organization.

*

Dr. Chang Shan-tse, Chinese artist who specializes in the painting of pictures of tigers, has contributed the sum of Ch.$100,000 to the National Relief Commission at Chungking. The money was raised by Dr. Chang through exhibitions and sales of his pictures in Europe and the United States, where he traveled for two years and held 100 exhibitions of his work. Among Dr. Chang's patrons, while abroad, were Albert Lebrun, former President of France and Mrs. Franklin D. Roosevelt. Mrs. Roosevelt gave a reception for Mr. Chang at the White House.

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The American University Club has announced a dinner on the evening of October 18, at the Jessfield Wintergarden, in honor of Mr. and Mrs. Richard P. Butrick, who are returning to the United States in November. Mr. Butrick has served as Consul-General in Shanghai since the departure of C. E. Gauss several months ago. The program will include a buffet dinner, games, dancing. Admission tickets, costing $5 each may be obtained from the secretary of the Club, T. F. Wei, c/o Educational Department, Municipal Council.

*

Liu I-wen, Manchukuo Minister to Hungary, presented his credentials to the Hungarian Regent, Admiral Nicholas von Horthy, at Budapest on Oct. 5. The German **Transocean** service, in a dispatch from Budapest said that the ceremony of presenting Dr. Liu's credentials provided opportunity for the expression of the friendly feelings of Hungary for Japan as well as Manchukuo. The German news service emphasized the economic importance of Manchukuo.

*

Three workers connected with the American Red Cross departed from San Francisco by Clipper Plane on Oct. 5, enroute for China where they will direct the shipment and distribution of large quantities of drugs, clothing and other supplies among Chinese victims of Japanese aggression. The Red Cross workers are John Earl Baker, Walter Wesselius and Arthur M. Fifer. Of the three, John Earl Baker has had previous experience in China as a director of relief and work-relief projects. Walter Wesselius is Assistant National Director of relief projects resulting from disasters. Arthur M. Fifer is accountant for the organization. The party will proceed to Chungking by C. N. A. C. plane from Hongkong.

*

More than 300 persons attended a service in memory of the late Rev. Edward R. Dyer at the Church of the Holy Cross, Wusih, on Sept. 21. The Rev. T. P. Yang presided. The Rev. Edward Ryant Dyer was born in Delaware County, Ohio on May 31, 1885 and was graduated from Kenyon College in 1906, and received the degree of Master of Arts at the same institution in 1918. He also attended the Virginia Theological Seminary and in 1912 was ordained by the Rt. Rev. Frederick R. Graves of the American Church Mission. He served at Yangchow, Nanking and Paoying before going to Wusih. He died at Charlottesville, Virginia on July 27, 1940. He is survived by Mrs. Dyer and two children, Edward Ryant, Jr., and Louise Garland Dyer. According to the Wusih correspondent of the **North-China Daily News**, plans are being made to erect a memorial tablet in the Wusih Church in his memory.

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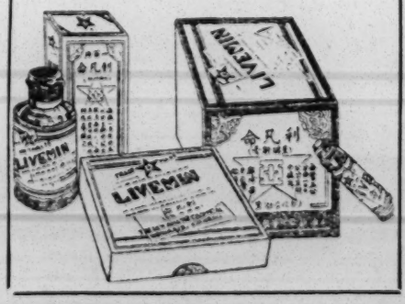

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In the United States Court for China

KATHERINE V. HIGBY, *Plaintiff,* vs. LESTER HENRY HIGBY *Defendant.*	Cause No. 4523 Civil No. 2402 ORDER Filed at Shanghai, China, Sept. 28, 1940 WILLIAM T. COLLINS Clerk.

The object of this suit is an action for an absolute divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 28th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since during the last six months, and that defendant's last known address was 2510 Main Street, Boise, Idaho, United States of America.

NOW, THEREFORE, it is this 28th day of September, 1940, Ordered that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 19th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:

Dated at Shanghai, China,
this 28th day of September, 1940.

MILTON J. HELMICK
Judge.

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Wilhelm Muhlenbroich, who was indicted at Redwood City, California, for kidnapping the three-year-old son of Comtesse de Tristan, was given a sentence of life imprisonment. Muhlenbroich, who is an unnaturalized German immigrant, was captured while in the act of concealing the child in a mountain resort. The child was uninjured.

*

Willys R. Peck, First Secretary, at the U. S. Embassy in Chungking, and Mrs. Peck, passed through Shanghai this week aboard the President Cleveland, en route to the United States on leave. Karl de G. MacVitty, American Consul at Amoy was also a passenger on the President Cleveland, en route to the United States on leave.

*

Karl George Soderbom of Kalgan, who was detained by the Japanese military authorities in that city for many weeks, is now residing in Shanghai. Mr. Soderbom, who is of Swedish nationality and the son of Swedish missionaries in Mongolia is known as an authority on China's northwestern provinces. He had charge of the Sven Hedin Lama Temple exhibit at the Chicago World's Fair.

*

American fur exporters in Tientsin have cabled the State Department requesting help in connection with the Japanese embargo on fur shipments from north China. Fur exporters claim that the Japanese military regulations were designed to force dealers to sell through Japanese exporters at prices "below cost." Goods held up by the regulations are valued at US$750,000, according to Reuter report from Tientsin.

*

Joseph E. McWilliams, who recently was defeated as a candidate for congress on the ticket of the so-called American Destiny Party in New York, was sentenced to jail for 75 days—to be served in the workhouse—for disorderly conduct during the campaign. He was tried in the Harlem Court of Magistrate Edgar Bromberger, who stated that McWilliams had delivered anti-semitic and anti-American speeches in the election campaign.

*

Leroy Albert Lanford, chief radio operator with the U. S. Fleet, was granted a divorce in U. S. Court for China from Mrs. Rosalie Pangelinan Lanford on Oct. 8. Mrs. Lanford is a native of the Mariana Islands, near Guam. According to the testimony the couple were married at Guam in 1932, but the wife deserted her husband in Honolulu in 1937. Mr. Lanford was represented by Attorney H. D. Rodger and the case was heard by Judge Milton J. Helmick.

*

Winter weather will arrive in Japan a month earlier this year and will be unusually severe according to four engineering experts connected with the Sapporo Mining Superintendence Bureau, who recently returned to Tokyo from a trip to the summits of the Asahi, Hokkai, Eizan and Hokusei mountain ranges. The purpose of the trip was to study weather conditions. They reported observing two feet of snow on the Hokusei Range and experienced two blizzards in the Eizan Range.

*

The U. S. War Department announced on Oct. 4 that an additional force of 2,400 officers and men was being dispatched immediately to Anchorage, Alaska. This will bring the permanent garrison at Anchorage to 3,600 officers and men. The Government also ordered 29 warplanes, including pursuit, interceptor, bombing and transport planes, as an initial unit to be stationed at the same place, which is the new US$12,000,000 Army Air Base, now under construction.

Miss B. Petrie Smith, Matron of the Blythe Hospital, Wenchow, Chekiang Province, died at the Country Hospital on Thursday, Oct. 3. Funeral Services were held at the Hungjao Road cemetery on Saturday, Oct. 5. The Rev. W. H. Hudspeth of the British and Foreign Bible Society, officiated at the funeral service.

*

James Alexander Barclay Barton, 34, son of Sir Sidney Barton, former British Consul-General at Shanghai, and Lady Barton, died at the Shanghai, Country Hospital of a throat infection on Oct. 3. He had been attached to the British Embassy in Shanghai for several years and was widely known here. The funeral service at Bubbling Well Chapel, conducted by Dean A. C. S. Trivett, was attended by a large number of Shanghai residents. Besides his parents, Mr. Barton is survived by his wife, Margaret, a son, Hugh, and a brother Hugh D. M. Barton, connected with Jardine, Matheson and company. Among those who attended the funeral were representatives of British and other foreign diplomatic, military and naval offices here.

In the United States Court for China

ELSIE CHICO, *Plaintiff,* vs. ANTOLIN SANTOS CHICO, *Defendant.*	Cause No. 4524 Civil No. 2403 ORDER Filed at Shanghai, China, Sept. 20, 1940. WILLIAM T. COLLINS *Clerk.*

The object of this suit is an action for Divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 20th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 20th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 20th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since August, 1939, and that defendant's last known address was No. 1777 MANGAHAN Street, Manila, Philippine Islands.

NOW, THEREFORE, it is this 20th day of September, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 12th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 20th day of September, 1940.

MILTON J. HELMICK,
Judge.

New Books of Interest in the Far East

Frontiers of Cathay

INNER ASIAN FRONTIERS OF CHINA —By Owen Lattimore. American Geographical Society, New York City; Price, U.S.$4.00.

BURMA ROAD—By Nicol Smith. Bobbs-Merrill. Indianapolis; price, U.S.$3.50.

Mr. Lattimore's latest literary offering is one of the most scholarly volumes about China to appear in many a year, and is obviously the result of long and extensive research by an extraordinarily well qualified student. Mr. Smith's contribution, on the other hand, is just another travel book, in the tradition of the late Richard Halliburton, and despite its title only one third of it actually deals with the Burma road.

Mr. Lattimore sketches all the centuries of Chinese history in so far as they have been shaped by, or from without the inner Asian frontiers—and thus we have virtually the whole of Celestial annals until the Western invasion from the sea, one hundred years ago. Perhaps a student of the subject as profound as Mr. Lattimore might take issue with him on many points, or even uncover some errors of fact, but he seems generally on sound ground and most of his statements are formidably documented.

The reviewer, however, ventures seriously to question his summary of the present Outer Mongolian situation: "Outer Mongolia was first made a victim of Tsarist Russian imperialism and then set free by the non-exploitative policy of the Soviet Union toward the Mongol Peoples' Republic, the granting of loans without interest, economic, aid, technical help, and the creation of an army trained and equipped by the Soviet Union or under its orders."

Now Mr. Lattimore has probably never been anywhere in Outer Mongolia, and in any event he has never made any first hand study of the situation in that area. Nor has anyone else, that is any independent journalist, for the Bolsheviks have always refused permission for such a survey—even to the trusted Amazon Louise Strong. Wherefore we may conclude that their policy there is somewhat short of altruistic. Indeed, all circumstantial evidence indicates that the Bolsheviks from the very beginning of their regime have followed in Outer Mongolia an imperialistic policy which is not one whit fundamentally different from that of the Czars, just as they have recently taken over Czarist imperialism in relation to Finland and the other Baltic states; the form may be slightly different, but the content is unchanged.

Except for this instance of being taken in by Moscow's bait to catch fellow-travelers, Mr. Lattimore discusses what he does know first hand or has found out by thoroughgoing historical research. And some of the summaries rendered accordingly are among the best the reviewer has ever read. For example, in treating of the "recondite literacy" involved in Chinese scholastic rule: "The 'typical' Chinese, therefore, was two quite different people—a peasant whose functions were little higher than those of a draught animal, and a scholar whose long fingernails were proof that he did no hard work."

The realistic significance of Confucius is also admirably sketched: "Confucian ethics....justify the direct assessment of taxes and the relaying of orders all the way from the supreme government to the taxpayer. The precept of filial piety also justifies large families, child labor (the children being responsible to the parents, not the parents to the children), and authority of the father even over adult sons. It thus fits exactly the need of the intensive Chinese agriculture for a swarming population and human labor at low cost."

There is much temptation to quote many such summaries, but this shall be the final one: "The brief chronicle of a Chinese dynasty is very simple: a Chinese general or a barbarian conqueror establishes a peace which is usually a peace of exhaustion. There follows a period of gradually increasing prosperity, as land is brought back under cultivation, and this passes into a period of apparent stability. Gradually, however, weak administration and corrupt government choke the flow of trade and taxes. Discontent and poverty spread. The last emperor of the dynasty is often vicious and always weak—as weak as the founder of the dynasty was ruthless. The great fight each other for power, and the poor turn against all government. The dynasty ends, and after an interval another begins, exactly as the last began, and runs the same course."

Mr. Smith's volume is what is to be expected after reading the cover blurb about Mr. Smith: "He began his adventurous career before he graduated from Leland Stanford University, when he paddled a canoe the entire length of the Danube, had himself hoisted over the cliffs of the Pindus mountains and swam the Hellespont." We are also told that he is the son of a "California oil magnate."

Many of Mr. Smith's travel tales, collected over cocktails here and there, are very interesting, but Somerset Maugham's are much better, and also much truer without any claim that they are true. Also, Mr. Smith does not seem to be able to take travel in the raw very well, for he is always complaining about hotels. The reviewer has sojourned in two hotels in Laokai without finding either as bad as the better is represented by Mr. Smith. If Mr. Smith really wants a hotel to complain about he should spend a night or two in the only hosterly of Porto Esperanza on the Paraguay River in western Brazil.

The best part of Mr. Smith's book is his first hand account of conditions in the tin mines at Kochiu, Yunnan. Many of the workers are children under fifteen and no protection is provided against the eight to twelve percent arsenic oxide in the tin, which they handle for long hours every day while breathing the dust in the mines.

"Approximately twenty percent of the miners," he says, "are suffering from illness or disease, at all times, Crowded together as they are in the mines and bunks, contagious diseases spread rapidly. Trachoma and skin diseases are very common. The death rate in the mines is estimated at 30 percent annually. Ten thousand men, five thousand children, out of fifty thousand will die in a single year."

That is fine reporting, but all of the book is not on a par with it.

W. B.

Mme. Chiang's "Warphans"

A LETTER FROM MADAME CHIANG KAI-SHEK TO BOYS AND GIRLS ACROSS THE OCEAN—Chungking The China Information Publishing Co., 1939. 25 pages, Illustrated, Paper.

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When the Sino-Japanese hostilities broke at Peiping on July 7, 1937 and at Shanghai on August 13 of the same year, **THE CHINA WEEKLY REVIEW** immediately began compiling a day-to-day record of out-standing developments in the struggle including the diplomatic side as well as the military. These handy little volumes, each covering a period of six months, have now reached five.

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Outstanding developments in this period include the beginning of Japan's air raids on Chungking, Wang Ching-wei's activities at Nanking, Anglo-Japanese negotiations over the Tientsin incident, beginning of terrorism at Shanghai, abrogation of the American-Japanese Trade treaty, initiation of anti-foreign movements by Japanese Army authorities, "slapping" and "stripping" incidents at Tientsin, Ambassador Grew's denunciation of Japan's anti-American activities in China, beginning of U.S. "moral" embargo against Japan, etc., etc.

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In the United States Court for China

CARL LELAND MOSSBERG, *Plaintiff*	Cause No. 4527 Civil No. 2406 ORDER
vs.	Filed at Shanghai, China,
LILIAN R. MOSSBERG, *Defendant*	Sept. 28, 1940. WILLIAM T. COLLINS Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorney, Mr. Orin de Motte Walker has this 28th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not reside in China, and that defendant's last known address was: No. 3021 Swift Ave., Los Angeles, California, U.S.A.

NOW, THEREFORE, it is this 28th day of September, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 19th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court.

MILTON J. HELMICK
Judge

orphans." Madame Chiang has written a personal letter which tells the story of the daily life of her "warphans," their games, their lessons, their life in their thatched dormitories, and the story of their trek into western China to reach safety. More than half the pages are filled with excellent pictures of the children at their various activities. The booklet has caught the personal charm of the writer and is an excellent, constructive piece of information.

F.M.R.

Nanking Safety Zone

DOCUMENTS OF THE NANKING SAFETY ZONE—Edited by Shuhsi Hsü, Ph.D., No. 7 Political and Economic Studies, Prepared under the Auspices of the Council of International Affairs, Chungking. Shanghai, Kelly and Walsh, Ltd., 1939, 167 pages, cloth.

These documents relating to the work of the International Committee for the Nanking Safety Zone at the time of the Japanese occupation of the city, are a record of the work attempted by the committee, their relations with the Japanese, and a selection from the more than four hundred reported cases of disorder by the Japanese soldiers in the Safety Zone. These cases, according to the secretary of the committee, are samples whose accuracy has been checked. Many more cases reported to the workers were not filed with the Japanese Embassy.

This International Committee, a relief committee, was requested by the Chinese mayor "to carry on the city government services for the civilian population of Nanking until the Japanese authorities could establish a new city government or other organization to take over these functions in the city." Twenty-seven westerners were in Nanking when the Japanese troops entered. From this number fifteen German, American, British, and Danish men were formed into a committee. The records in this book, signed by men known personally to hundreds of people in China, cannot be disputed. They form a horrible commentary on the conduct of an army in a conquered city.

A.

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In the United States Court for China

PAULINO CELESTINO BATAYAN, *Plaintiff*,	Cause No. 4528 Civil No. 2407. ORDER
vs.	Filed at Shanghai, China,
ROSARIO SO BATAYAN, *Defendant*.	Sept. 30, 1940. WILLIAM T. COLLINS Clerk.

The object of this suit is an action to dissolve the bonds of matrimony between the parties hereto.

WHEREAS, plaintiff herein, by his attorneys, has this 30th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 30th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 30th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since during the last six months, and that defendant's last known address was care of her mother, Senora Maria So, in the barrio of Panapaan, town of Bacoor, province of Cavite, Philippine Islands;

NOW, THEREFORE, it is this 30th day of September, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 19th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:

Dated at Shanghai, China, this 30th day of September, 1940.

MILTON J. HELMICK
Judge.

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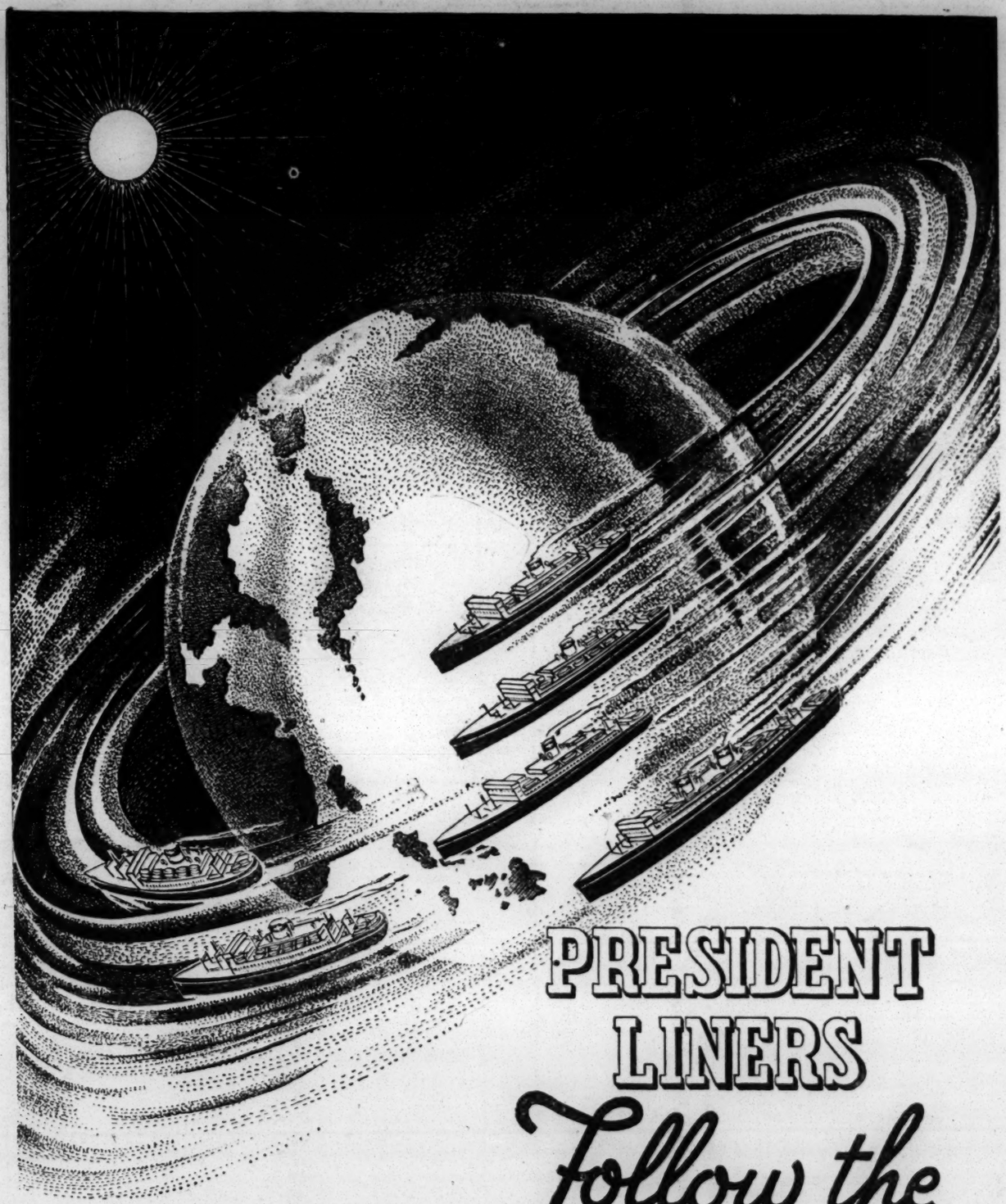

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